

OVERPRODUCTION OF RAW MATERIALS

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INTRODUCTION

OVERPRODUCTION of raw materials is one of the main causes of the downward movement of prices which occurred during the past decade and which reached particularly large proportions during the economic depressions of 1920-1921 and 1929-1930. The overproduction of 1920 was, to a considerable extent, a result of the maladjustments of supply and demand resulting from the war. The overproduction of recent years has resulted partly from uneconomic attempts of producers and governments to raise prices, partly from improved methods of production, partly from the imposition of new tariff barriers, partly from shifts in the demand of consumers and partly from declining prices.

Rubber, coffee, silk, nitrates and copper are all examples of raw materials which have been overproduced as a result of attempts to maintain them at a high price level. Producers of rubber in the British East Indies, of coffee in Brazil, of nitrates in Chile and of silk in Japan have obtained the aid of their respective governments in plans to restrict exports and raise prices, with the result that excessive output of these commodities or substitution of synthetic products, such as manufactured nitrate and rayon, has been encouraged. American copper producers have taken advantage of the Webb-Pomerene Act to form an export association which also has attempted to maintain prices at an artificial level, with the same results of overproduction and reduced consumption.

The overproduction in the copper and rubber industries has been aggravated by improved methods of production—differential flotation and machine mining in the case of copper, and bud grafting in the case of rubber. Methods of producing crude petroleum also have become somewhat more effi-

cient, and the proportion of gasoline has been substantially increased by cracking and hydrogenation.

Both the sugar and coal industries have suffered since the war from the tendency of many nations to raise higher and higher tariff barriers. In efforts to make themselves self-sufficient and encourage home industries, practically every European nation, as well as the United States, Australia and other countries, has placed a substantially higher tariff on sugar, thus encouraging a costly home industry and tending to reduce imports to a minimum. As a result, Cuba and Java, which have great natural advantages in the cultivation of sugar cane, have suffered from restricted demand and overproduction. A similar situation in the coal industry has been caused by the readjustment of European frontiers after the war and by reparation agreements with Germany. By the terms of the Treaty of Versailles, Germany lost a large part of the Silesian coal fields to Poland and the Saar field to France, and was obligated to pay large reparations. As a consequence, the Germans substantially increased the output of their remaining fields to facilitate the payment of reparations. The natural result has been a surplus of European coal production which has been particularly harmful to England.

The condition of over-capacity in the coal industry has been made worse by increased efficiency in the use of coal, and the tendency to use petroleum and electricity generated from water power as substitutes. During the past decade most of the navies of the world and a large part of the merchant marine have been equipped with oil-burning Diesel engines, with a consequent substantial reduction in the use of coal for bunker purposes.

Textile raw materials have suffered se-

verely from shifts in consumer demand. Style changes have tended to restrict the quantity of textiles used and to create a shift in demand from cotton, wool and flax to the glossy fibres—silk and rayon. In the case of cotton, overproduction was avoided for a number of years, owing to the curtailment of supply which resulted from boll weevil depredations in the United States. During the past year, however, visible supplies of both cotton and wool have reached excessive totals.

Silver has suffered in recent years from a further shift in the monetary demand. India and China, the only two large countries which have continued to use silver as a standard of value during the post-war period, have adopted plans for its demonetization. This situation has been aggravated by the tendency of other countries to reduce the quantity of silver in their subsidiary coins. At the same time silver production has increased, since silver is an important by-product of many copper mines.

Production of jute and tea has increased primarily as a result of price declines. In both cases the small Asiatic farmers who

furnish most of the supply have increased their output in the hope of balancing the decline in their income caused by the reduced prices. The inevitable result has been an increase in surplus supplies and a further decline in prices. Demand for tea also has been restricted by the loss of the Russian market and the increasing preference for coffee in the United States.

There is little reason to believe that the causes of overproduction will not continue to be as important in the future as in the past. In fact, recent measures of producers to limit the supply and raise the price of sugar, copper and tin indicate that there is little tendency to profit from the lessons of the past. On the other hand, part of the present overproduction is due to restricted buying because of unstable prices and this cause is likely to become less operative when prices are stabilized and business confidence is restored.

In the sections which follow, a more detailed study will be presented of the situation with regard to five of these commodities—rubber, copper, sugar, coffee and petroleum.

RUBBER

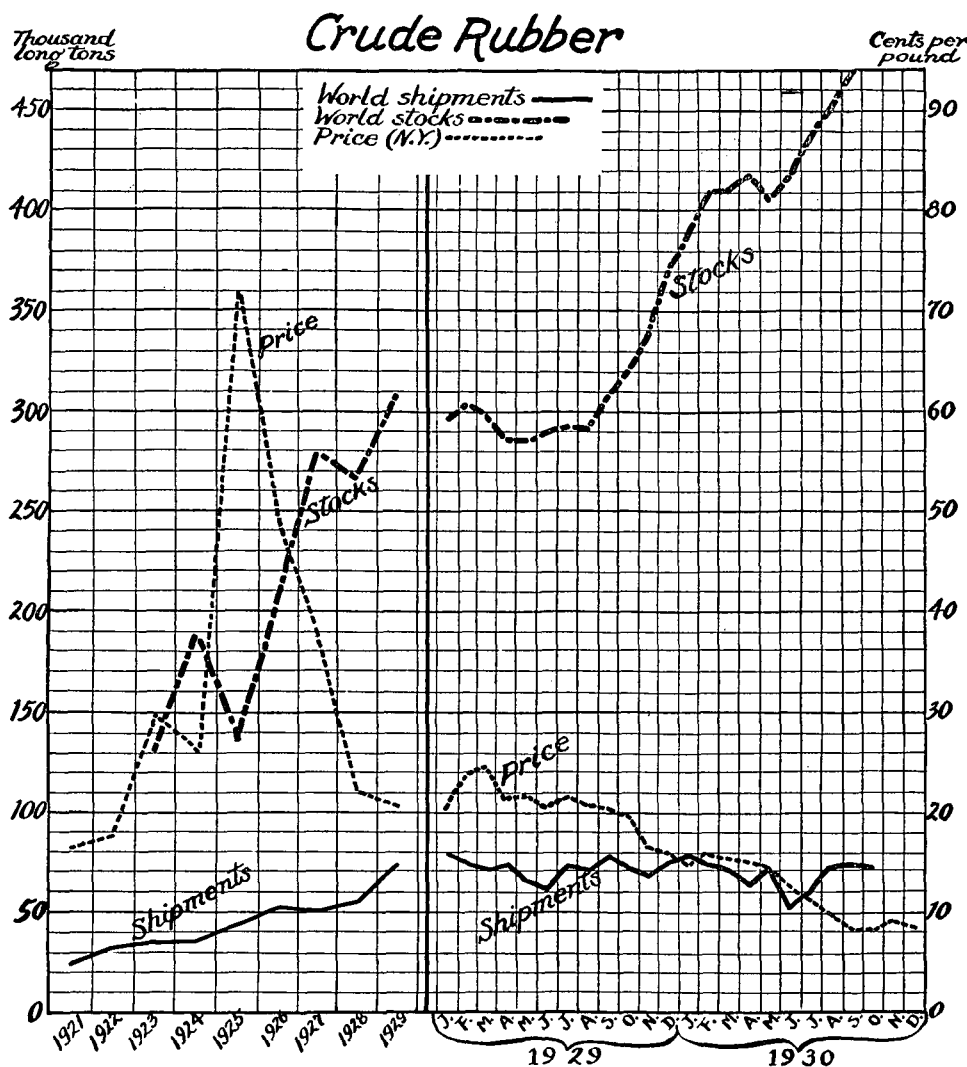
Rubber has become during the past quarter of a century one of the world's most important raw materials, largely due to the remarkable growth of the automotive industry. Three nations have a particularly keen interest in the supply and price of rubber—the United States, which consumes from 65 to 70 per cent of the total annual production, and Great Britain and the Netherlands, which together produce over nine-tenths of the total output.

Prior to 1905 practically all of the world's rubber supply consisted of wild rubber gathered in tropical America and Africa. It is the development of plantation rubber in the Far East, however, which has been the outstanding factor in increasing the annual world production from 60,000 tons in 1905 to 860,000 tons in 1929. It is estimated that over seven million acres have been planted with rubber up to the present.

THE STEVENSON RESTRICTION ACT

The large increase in the demand for rubber from automotive and other industries during the World War, and the fact that it requires from four to six years for a rubber tree to come into bearing, prevented any oversupply of rubber from becoming apparent until 1920, despite the enormous increase in planting during the preceding fifteen years.¹ After private efforts by the (British) Rubber Growers' Association to restrict production had failed, the Colonial Office of the British government appointed a committee, headed by Lord Stevenson, to investigate the situation. A plan of cooperation with the Dutch was first recommended, but this could not be secured as the govern-

1. It is estimated that of the world's rubber acreage 15 per cent was planted by the end of 1909, 15 per cent from 1910 to 1912, 40 per cent from 1913 to 1920, 3 per cent from 1921 to 1924, and the remainder during subsequent years. Cf. Eric Miller, "The Outlook in the Rubber Industry," *The Rubber Age*, December 1929.



ment of the Dutch East Indies recognized the difficulty of controlling native production and, furthermore, felt that it would be unfair to limit the output of the natives after urging them for years to plant rubber.² On October 2, 1922 the Stevenson committee reported in favor of restriction by the British government, and the chief rubber-producing colonies enacted the suggested legislation, which became effective November 1. The chief features of the Stevenson Restriction Act were as follows:

(1) The authorities assigned to each rubber estate a "standard production" based upon output in the year ended October 31, 1920, with additional allotments for areas which came into bearing later.

(2) During the three months beginning November 1, 1922 no plantation was allowed to

export at a rate which would exceed 60 per cent of its standard production.

(3) If during any quarter the price of rubber in London averaged less than one shilling a pound, 5 per cent of standard production was to be deducted from the rate of permissible exports in the succeeding quarter, while in case of a rise in the average price for a quarter to over one shilling three pence a pound, the quota was to be raised 5 per cent.³

Thus the pivotal prices to be used in determining the extent of restriction were 24 and 30 cents a pound, prices which it was believed would yield the average rubber-grower a reasonable profit. The course of world rubber production and of rubber prices at New York, which are shown in the above chart and the following table, give some idea of both the immediate and the ultimate effects of the Stevenson Act.

2. U. S. Department of Commerce, "International Cooperation Among Rubber Producers," *Commerce Reports*, April 7, 1930.

3. Cf. B. B. Wallace and L. R. Edminster, *International Control of Raw Materials* (Washington, The Brookings Institute, 1930), p. 176-78.

WORLD RUBBER PRODUCTION AND PRICES

Year	World Production ⁴	Prices ⁵
	(in thousands of metric tons)	
1920	347	35.9
1921	298	16.5
1922	397	17.3
1923	486	30.7
1924	494	26.4
1925	591	73.0
1926	660	48.7
1927	720	38.1
1928	686	22.6
1929	880	20.6

The immediate effect of the Restriction Act was a stabilization rather than a decrease of world production. This was due to the rapid increase of output in the Dutch East Indies and other areas not subject to British control, to the allowances made under the act for new areas coming into bearing, and to a certain amount of smuggling. Nevertheless, the increase in world output from 1922 to 1924 was relatively small and prices showed no marked trend, with a range from 20 to 33 cents a pound. During 1925 there was a sharp increase in demand which carried the spot price at New York to over one dollar a pound for a short time. This spectacular advance was due partly to the actual limitation of production under the Stevenson Act—which reached its greatest severity at the end of 1924—but more particularly to the accelerated growth of the automobile industry in the United States, and the general adoption of balloon tires, which required substantially more rubber than high pressure tires.

This drastic advance in rubber prices not only resulted in enormous temporary profits for the plantation industry, but also encouraged world-wide measures to increase production on one hand and similar efforts to reduce consumption on the other. The United States, which consumes about 70 per cent of the world's rubber,⁶ was thoroughly aroused by the great increase in prices, which was ascribed to the British restriction

plan. Among the measures taken to combat high prices were:

- (1) Increased use of reclaimed rubber.
- (2) Increased production of wild rubber.
- (3) Increased planting of *hevea* outside of the British Empire.

The increase in the proportion of reclaimed rubber from about one-fifth to one-third of the total factory consumption was particularly effective. Other measures, such as the development of new plantations in Liberia and Brazil by American manufacturers, were more important in their psychological than in their practical effects. The wild scramble to buy crude rubber suddenly subsided, and there was a sharp decline in prices during the first half of 1926 which restored them to a level of about 40 cents a pound. This downward movement was aided by an increase to 100 per cent in the permissible quota under the Stevenson Act in the quarter beginning February 1, 1926.

Despite the fact that rubber prices were still far above the level which had been considered fair in 1922 (24 to 30 cents a pound), the British government tightened the restrictions in the autumn of 1926. The revised regulations which became effective November 1, 1926 provided:

- (1) That the pivotal prices of crude rubber at London be raised to a range of 42 to 48 cents a pound;
- (2) That changes in quantities of permitted exports be made by amounts of 10 or 20 per cent instead of 5 or 10 per cent; and
- (3) That no provision be made for export at a rate above 100 per cent or below 60 per cent of standard production.

These revisions raised the pivotal prices to nearly twice the level provided by the 1922 act and furnished greater checks on supply in a declining market. As rubber prices continued to decline, the quota was reduced in each successive quarter under the new regulations until it reached the minimum of 60 per cent in the quarter beginning May 1, 1927. Exports were restricted to this minimum level throughout the following year and a half. The immediate effect of the new restrictions was a considerable curtailment of exports from the British colonies,

4. Data are for production or exports as published by the League of Nations *International Statistical Yearbook*.

5. Prices are annual averages based on wholesale quotations for plantation smoked rubber sheets at New York as published by the U. S. Bureau of Labor Statistics in *Bulletin No. 493, Wholesale Prices, 1913 to 1928*, and supplementary monthly bulletins.

6. Cf. Union Trust Company of Cleveland, *Trade Winds*, March 1930.

but this was not sufficient to reduce the total world output for 1927. Prices rallied moderately in the last quarter of the year, however.⁷

By the beginning of 1928 a new decline in prices was under way and British rubber-growers realized that their efforts to control the situation were becoming increasingly futile and costly. This was due to the great increase in output of other areas, particularly the Dutch East Indies, and the consequent decline of British dominance in the world situation. Between 1921 and 1927 world rubber production had more than doubled despite the restriction measures, whose main effect appears to have been to lead to an increase in the Dutch proportion of the total from about 25 to 40 per cent, while the British share declined from 67 to 53 per cent.⁸ In view of these facts, the British announced that restriction would end on November 1, 1928.⁹ The immediate effect of these announcements was a sharp decline in the price of rubber to about 20 cents, at which level it was maintained during the remainder of 1928 and most of 1929. Production showed a moderate increase in 1928 and expanded sharply in the following year as a result of increased output from the British possessions.

Realizing the danger of overproduction and unprofitable prices, both Dutch and British interests have attempted to agree upon a number of new methods of control

during the past two years. Since all these attempts proved unsuccessful, the government of the Dutch East Indies on September 6, 1930 announced that it would make no attempt to restrict the output of rubber.¹⁰ This was followed by a decline in the price of crude rubber to less than 8 cents a pound—the lowest price in history.

The chief causes of the present overproduction of rubber are:

- (1) The great stimulation of rubber planting caused by the excessively high prices of 1925 and the fact that rubber planted at that time has recently commenced bearing.
- (2) The introduction of bud grafting, which often increases the yield three-fold an acre.
- (3) The general business depression of the past year which has had a particularly adverse effect on the automotive industry.

It is not likely that much new rubber will be planted while prices continue near the present low level, but the need for economy may cause an increase in bud grafting operations which have to date been applied to less than 5 per cent of the total planted area.¹¹ This latter factor will probably tend to offset the decline in the output of trees planted prior to 1910, which have passed the best years of production. Rubber consumption, on the other hand, has shown an average annual increase of 13 per cent during the past nineteen years,¹² and it is not likely that there will be any permanent cessation of this expanding demand.

COPPER

The copper industry has been featured by an amazing metamorphosis during the past year and a half. At the beginning of 1929 inventories were relatively small, production was unable to keep pace with demand and prices were mounting rapidly. Inventories are now exceptionally large, production has been curtailed substantially and prices are the lowest recorded during the present century. Fear of a copper famine has been supplanted by the spectre of overproduction.

Among the factors to be considered in an analysis of this situation are:

- (1) Sources of copper production;
- (2) Ore reserves;
- (3) Cost of producing different increments of supply;
- (4) Organization of the copper industry;
- (5) Chief present uses of copper and potential changes in demands; and
- (6) Recent trends in the production and price of copper.

In almost every year of the period from 1894 to 1925 the United States has supplied

7. Cf. Wallace and Edminster, *International Control of Raw Materials*, p. 179-80.

8. *Ibid.*, p. 184.

9. U. S. Department of Commerce, *Commerce Yearbook, 1928*, Vol. I, p. 461.

10. *New York Times*, September 7, 1930.

11. Cf. *Trade Winds*, cited.

12. Cf. "The Outlook in the Rubber Industry," cited.

over half the copper production of the world. During the last five years this proportion has been less than half and has shown a declining tendency owing to the increased output of other leading producing-areas—Chile, Peru, Africa and Canada. Development in the two latter areas has been particularly intensive in recent years; the potential output of the largest Rhodesian company is expected to be increased by about 250,000,000¹³ pounds annually, and that of Canadian mines by an additional 300,000,000 pounds annually by 1932.¹⁴

Copper ore reserves of the United States have been reduced considerably during the past half century, but supplies of porphyry ore are still very large. Estimated reserves of twenty-one companies, which together produce about half the annual output of the United States, total about one and a half billion short tons, while those of reporting foreign companies exceed one and a quarter billion tons. Among the large reserves not included in these totals are those of other American producers and most of the Canadian, African and Russian ore supply. One Canadian mine has ore reserves of 120,000,000 tons, while the leading African producers are estimated to have 280,000,000 tons of ore with an average ore content of 4.9 per cent.¹⁵ These ore reserve estimates indicate that there is no probability of a serious scarcity for a number of decades.

Costs of producing copper often vary considerably in different mines of the same company and even in different parts of the same mine. These costs also are affected by changes in wages and taxes and by the volume of operations at any given time. The following estimate¹⁶ of the proportion of 2,122,000,000 pounds of North and South American copper produced within different price ranges in 1928 sheds some light, however, on the amount of copper which might be produced at different price levels:

COPPER PRODUCTION COSTS	
Cost (cents a pound)	Per cent of total
under 8	28.9
8 to 9	17.6
9 to 10	25.5
10 to 11	5.7
11 to 12	15.4
over 12	6.8

These figures indicate that approximately three-quarters of the output of the reporting American producers can be mined at a cost of 10 cents a pound or less, and that over nine-tenths of the total output costs less than 12 cents a pound.

Having surveyed the location and size of potential supplies of copper and the cost of mining the ore, let us next consider the leading sources of demand. The United States has for many years been the chief consumer as well as the principal producer of copper, taking approximately half the world output. Consequently, the following estimate¹⁷ of American consumption by industries in 1928 gives some indication of the relative importance of different types of industrial demand for the world as a whole:

CONSUMPTION OF AMERICAN COPPER BY INDUSTRIES—1928	
Industry	Short Tons
Electrical manufactures	213,000
Automobiles	125,000
Telephone and Telegraph	119,000
Light and power lines	115,000
Wire and rods, other	86,300
Buildings	62,000
Bearings and bushings	42,000
Valves and pipe fittings	20,500
Refrigerators, electric	13,200
Miscellaneous	118,500
Manufactures for export	65,600

Total United States consumption 980,100

Copper is the metal best suited by a combination of natural properties and cost for use by the electrical industries, and their demand may be greatly increased by electrification of railroads and more general use of electricity in domestic heating and refrigeration. On the other hand, copper is not irreplaceable in the case of the automobile and building industries, and the growth in demand from these sources seems uncertain

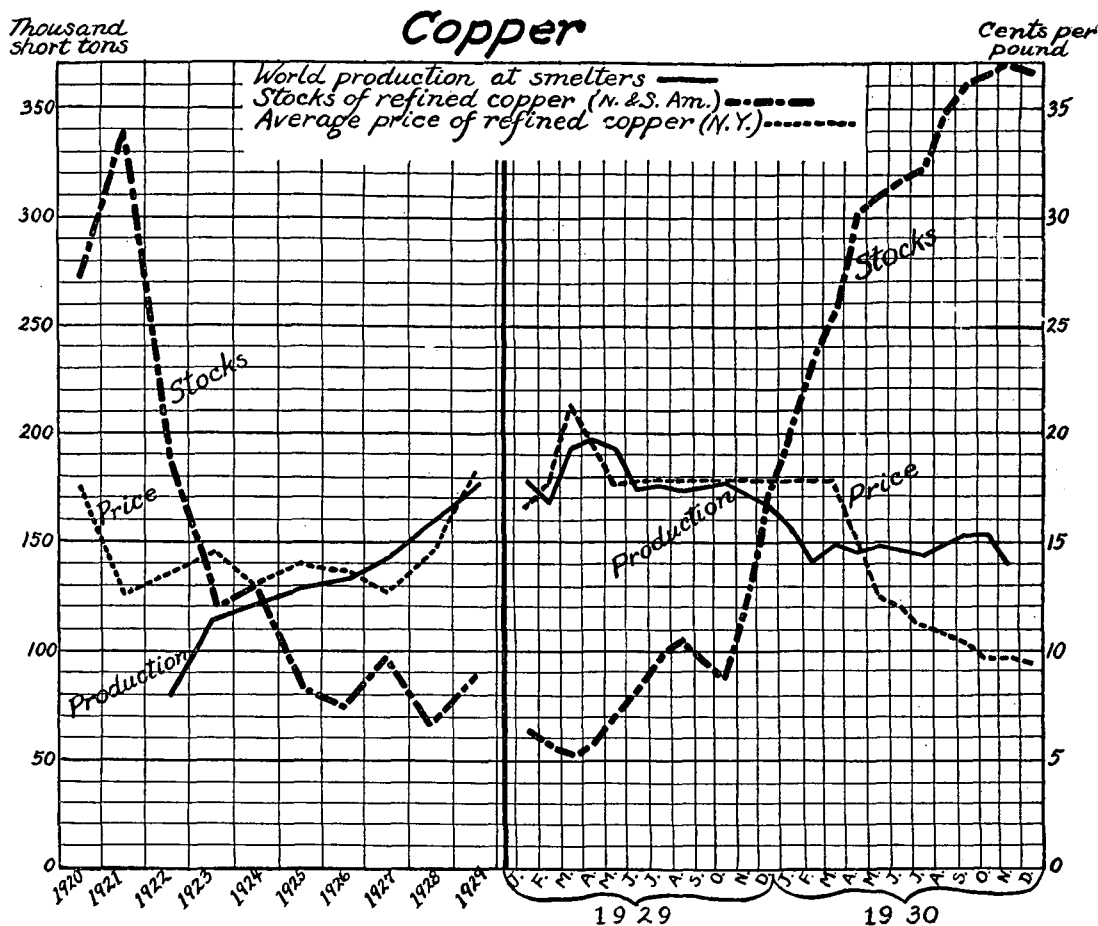
13. Cf. Percy E. Barbour, "The Next Move in the Price of Copper Metal," *The Annalist*, March 7, 1930.

14. Cf. "Canadian Copper Production to Reach Peak this Year," *Engineering and Mining Journal*, June 23, 1930.

15. Cf. Percy E. Barbour, "Copper Production and Consumption," *Engineering and Mining Journal*, March 24, 1930.

16. Cf. A. B. Parsons, "Analyzing the Cost of Producing American Copper," *Engineering and Mining Journal*, June 8, 1929.

17. Cf. A. B. Parsons, "A Statistical Study of Copper Production and Consumption," *Engineering and Mining Journal*, June 15, 1929. (Data compiled by American Bureau of Metal Statistics.)



in view of present indications of the temporary saturation of demand for new residences and passenger automobiles.

The ability closely to adjust production to demand depends upon the concentration of ownership or control in an industry. A large proportion of the copper output of the world is in the hands of a few companies. In fact, a small number of American corporations control such a substantial proportion of the world's output of low-cost copper that they are usually dominant factors in determining price policies. Furthermore, in 1926 the copper industry, under the Webb-Pomerene Act,¹⁸ formed an association known as Copper Exporters, Incorporated, which is a sort of international cartel. This organization, which controls over nine-tenths of the world's production,¹⁹ determines the price at which copper shall be exported from the United States. American producers usually

adjust domestic copper prices in accordance with this export quotation, although they are not legally permitted to combine for this purpose. In 1927 United States producers formed an association known as the Copper Institute to "aid the copper industry through wider knowledge and clearer understanding of the economic factors affecting the production, manufacture, distribution, and consumption of copper and copper products."²⁰ The Copper Institute has sought to develop a number of new uses for the metal and to encourage its consumption. Through both ownership and organization, the copper industry seems closely knit and should be able to adjust its output to the needs of consumers.

Copper production during the past fifty years has shown an average increase of 6 per cent annually. Moreover, this growth was regular throughout the four decades prior to the end of the World War.²¹ Since

18. The Webb-Pomerene Act expressly exempts export corporations from the Sherman Anti-Trust Law.

19. Cf. Samuel Crowther, "Copper: All-American Metal," *World's Work*, October 1930.

20. *Ibid.*

21. Cf. L. C. Graton, "Some Aspects of the Copper Industry," *Bulletin No. 208*, Mining and Metallurgical Society of America, January 1930.

1918, demand has declined sharply twice and the growth of production has been less regular than in the preceding decades. At the close of the war copper production was keyed to a maximum in response to a demand which came largely from munition plants and other war industries. With the cessation of this demand, stocks accumulated

rapidly and there was a sharp decline in price. Production was drastically curtailed and in 1921 reached the lowest level in many years. Changes in production, stocks on hand and the price of copper since the bottom of the post-war depression are shown below and indicated graphically in the chart on page 441.

PRODUCTION, STOCKS, AND PRICE OF COPPER, 1921-30

Year	World Production Blister Copper ²² (in thousands of short tons)	Refined Stocks ²³ (in thousands of short tons)	Price ²⁴ (cents a pound)
1921	622	338	12.50
1922	1,002	188	13.38
1923	1,407	120	14.42
1924	1,508	129	13.03
1925	1,587	83	14.04
1926	1,659	73	13.80
1927	1,736	97	12.92
1928	1,960	66	14.57
1929	2,104	89	18.11
1930	1,750	304	12.77

Copper prices throughout the period from 1921 to 1928, ranged from 12 to 15 cents, approximately the same level as before the war. The average price of all commodities, on the other hand, was about 50 per cent higher in this period than in the pre-war era. The relatively low price of copper seems to have been due chiefly to two factors—large-scale production and increased technical efficiency. The following table²⁵ gives some indication of the growth in large-scale production of American copper during the past two decades:

COPPER PRODUCTION—NORTH AND SOUTH AMERICA
(IN THOUSANDS OF SHORT TONS)

	Large Mines ²⁶	Small Mines	Total
1909	269	443	712
1915	471	439	910
1920	566	322	888
1925	928.5	315.5	1,244
1928	1,148	389	1,537

22. League of Nations, *International Statistical Yearbook, 1929*. (Data converted from metric tons to short tons.)

23. U. S. Department of Commerce, *Survey of Current Business*, monthly. (Averages of monthly data compiled by American Bureau of Metal Statistics.) Stocks of blister copper are not included as they are quite constant in volume and are not available for consumption by other industries. Refined stocks are for North and South America only, but these constitute the great bulk of world stocks.

The ratio of large-scale production to total production increased from 38 per cent in 1909 to 75 per cent in 1928. Earnings reports and dividend payments indicate that practically all the large-scale producers operated at a profit during 1928, while the smaller producers were much less prosperous.²⁷

As a result of the success of the Copper Institute in increasing consumption of copper, and of the Copper Exporters, Incorporated, in restricting production to the immediate demand, stocks of copper were reduced to a very low level at the end of 1928 and prices rose sharply to a peak of 24 cents a pound in March 1929. World production increased considerably in response to this enhancement of value and speculators gave much publicity to the development of rich mines in Rhodesia and Canada which would increase the supply largely. Quotations receded to 18 cents during April

24. *Engineering and Mining Journal*. (Price for ingot copper electrolytic, New York. F.o.b. mine price differences from year to year would be relatively the same.)

25. Compiled from data presented by S. D. Strauss, "What Kept Copper Down," *Engineering and Mining Journal*, May 18, 1929.

26. Large mines are defined as those having a production of over 20,000 short tons a year.

27. Strauss, "What Kept Copper Down."

1929, and were stabilized at that level for about a year.

As business activity and the general level of commodity prices declined sharply in the latter half of 1929, the maintenance of the price of copper at 18 cents a pound, according to some commentators, appears to have had a number of unfortunate results:²⁸

- (1) The stimulation of production of small, high-cost mines;
- (2) The retardation of consumption, and encouragement of substitution of cheaper metals;
- (3) The curtailment of production by large low-cost producers; and
- (4) The accumulation of large inventories.

The larger producers were most adversely affected by this price maintenance as customs smelters, which purchase ore from small mines, took precedence in foreign sales.²⁹

Stocks of refined copper more than tripled in the six months ending with April 1930, and this evidence of world overproduction finally induced Copper Exporters, Incorporated, to reduce the price by four cents. As inventories continued to accumulate during the summer, copper prices were reduced further and reached a level of 10 cents a pound on October 1. Production has shown a moderate decline in recent months, but still appears to exceed current demand.

The chief problem of the copper industry appears to be the development of a sufficient increase in the demand for copper to absorb the increase in supply caused by the opening of new mines in Rhodesia and Canada. The concentration of control in the copper industry should facilitate this needful coordination of production to consumption.

SUGAR

Sugar is at present one of the most generally overproduced commodities in the world.³⁰ The same causes which brought about excess production of rubber and coffee during the last decade have operated in the sugar industry—a war shortage, subsequent overproduction, and government restriction of output by Cuba, the leading producing country—thus encouraging expansion in other parts of the world.

In the case of sugar the situation has been aggravated by the network of tariffs which encircle the globe.³¹ The surplus stocks of sugar, which are virtually given away in one producing country,³² are not free to move into other countries because of tariffs, government subsidies and consumers' taxes.

There are several reasons for these tariff walls. During the war there was an acute sugar shortage in many European countries. This made the public willing to support a policy of encouragement of domestic produc-

tion even at a high cost, as they feared that their supply from the tropics might again be cut off. Furthermore, sugar-beet culture insures a good rotation of crops, clean fields and an improved soil.³³

In Europe the existence of surplus labor is an important argument in favor of raising beet sugar, as the intensive cultivation of beets, together with the factory processes, gives employment to large numbers.³⁴ Another reason for sugar tariffs is that government treasuries are able to obtain large revenues from sugar at a relatively small cost of collection. There are also the questions of vested interests and favorable trade balances.

Various governments in Europe and also in North America, therefore, have done everything possible to encourage the domestic beet-sugar industry. In spite of the protection which they have given this industry, however, world production of beet sugar since the year 1910-1911 has increased less than a million tons, while the output of cane sugar has more than doubled.³⁵

28. Cf. J. K. Finlay, "The Stabilization of Copper," *Engineering and Mining Journal*, December 21, 1929.

29. Cf. William O. Scroggs, "Dollars and Coppers," *The Outlook*, May 14, 1930.

30. Cf. Thomas Chadbourne, *Facts About Sugar*, October 1930.

31. League of Nations, Economic and Financial Section, *Sugar* (Memoranda prepared for the Economic Committee by H. C. Prinsen Geerligs, F. O. Licht and Gustav Mikusch), C.148.M.57.1929.II.

32. "Department stores in Cuba in an effort to aid the sugar industry are giving away five pounds of sugar with every dollar's worth of merchandise." Cf. *New York Evening Post*, October 6, 1930.

33. Philip G. Wright, *Sugar in Relation to the Tariff* (New York, McGraw-Hill, 1924) p. 19.

34. League of Nations, *Sugar*, Licht, cited.

35. *Ibid.*

Distribution of sugar is also affected by geographical limitations; it is expensive to transport such a bulky commodity long distances.

The following table shows net imports and exports of sugar by the principal producing and consuming countries arranged by continents:

TABLE I

SUGAR IMPORTS AND EXPORTS³⁶

(1929, Preliminary)

Short Tons

EUROPE

<i>Net Exports</i>		<i>Net Imports</i>	
Czechoslovakia	595,577	United Kingdom	2,174,211
Poland	317,222	France	250,426
Germany	211,629	Other Countries	534,121
Totals	1,124,428	Totals	2,958,758

ASIA

Java	2,827,238	India	991,990
Philippines	623,355 ³⁷	China	665,696 ³⁸
Totals	3,450,593	Japan	80,543
		Totals	1,738,229

NORTH AMERICA

Cuba	5,226,978	United States (including Hawaii and	
Dominican Republic	594,453 ³⁹	Porto Rico)	4,785,750
Totals	5,821,431	Canada	454,691
		Totals	5,240,441

Africa, South America and Australia are practically self-sufficing, and most of the small quantity of sugar which they export goes to England. Australia carries production control to its logical conclusion. To protect its domestic cane-sugar industry, the importation of sugar is entirely forbidden, while the acreage under cultivation is limited to prevent overproduction.⁴⁰

Continental Europe is also practically self-supporting, if importations from the French colonies are included. The only European country which imports largely is England. Before the war the United Kingdom imported sugar from Germany, and during the period of post-war shortage from Cuba via the United States. England decided in 1925 to follow the lead of other countries in subsidizing beet-sugar production as a cure for unemployment, and now produces about 400,000 tons annually.⁴¹

In Asia, Java is the great sugar-exporting

country, and sells to India, China and Japan. Java took advantage of Cuban restrictions to increase her production and now finds herself with surplus stocks on account of the chaotic political and economic conditions in China and India. The Philippine Islands also export a substantial amount of sugar, most of which goes to the United States. Since free entry into the United States has made sugar raising profitable, the output of the Philippines has increased considerably, to the consternation of American beet growers.⁴² India is one of the largest sugar-producing countries of the world, but her people consume more than they produce.

In North America, Cuba is the great producing country and the United States the great consumer. The United States obtains part of its sugar supply from its own territories and possessions—Porto Rico, Hawaii, the Philippines and the Virgin Islands—whose sugar is admitted duty free; part from its domestic beet-sugar industry, which is expected to yield 1,185,000 tons in 1930;⁴³ and a small portion from the domestic cane-

36. Compiled from *Foreign Crops and Markets*, April 14, 1930, U. S. Department of Agriculture.

37. 1928.

38. 1927.

39. 1928.

40. Cf. J. Ormsby Gore, "Sugar Crisis," *The Nineteenth Century and After*, May 1930.

41. Cf. Chadbourne, *Facts about Sugar*, September 1930.

42. *Ibid.* In December 1930 Governor-General Davis vetoed a bill establishing a sugar board in the Philippines, on the ground that it did not contain a provision limiting production. *The Philippine Herald*, December 9, 1930.

43. Figure furnished by the U. S. Department of Commerce.

sugar industry. Since Cuba is given a 20 per cent preferential tariff rate, the American market virtually is closed to all other sugar-exporting countries.

The history of the production of sugar in Cuba and its relation to the United States tariff has been fully treated in another *Information Service*.⁴⁴ Briefly, the sugar industry, which had been expanded in Cuba as a result of the war, continued to be profitable until 1925—when consumption passed production—except during the crash which followed the “dance of the millions.” In 1926 the European beet crop attained normal pre-war levels, while Cuban output rapidly increased.

Attempts to strengthen prices by restricting the Cuban sugar grindings resulted in increased crops in Porto Rico, Hawaii, the Philippines and the Continental United States.⁴⁵ Java also refused to cooperate, and invaded the British market.

Cuban restrictions were lifted for the 1928-1929 crop, which proved to be the largest on record—5,156,000 short tons—and the price of sugar broke from 2.36 to 1.11 cents a pound. The Cooperative Export

Agency, popularly known as the “Single Seller,” was organized to market the 1929-1930 crop; but the huge carry-over of 965,000 tons from the year before glutted the market and much of the new crop could not be moved. Credits were frozen, as money could not be borrowed on warehouse receipts, and the unfortunate laborers were forced to resort to barter. The “Single Seller” proved such a failure that it was discontinued in April 1930.⁴⁶ On the last day of September the October position dropped to 0.94 cents a pound, the lowest level in history.⁴⁷

To summarize, the countries that have the most serious marketing problems are: in Europe, Czechoslovakia and Germany; in Asia, Java, because of the abnormal conditions in other Eastern countries; and in the Western Hemisphere, Cuba, because of its largely increased output and the tariffs of other countries.

The enormous world sugar crop of 1928-1929 established an all-time record, and the resulting heavy stocks are continuing to depress prices.⁴⁸ The following table shows the course of sugar prices in relation to world production since 1920.

TABLE II
SUGAR PRICES AND WORLD PRODUCTION
PRODUCTION FOR CROP YEAR⁴⁹ PRICE FOR CALENDAR YEAR⁵⁰
(in thousands of short tons) (cost and freight without duty
for 96 centrifugals, N. Y.)

1920	17,999	11.40
1921	19,563	3.46
1922	20,577	2.98
1923	20,861	5.24
1924	22,833	4.19
1925	26,624	2.56
1926	27,834	2.57
1927	26,531	2.96
1928	28,295	2.47
1929	30,435 ⁵⁰	2.04
1930	30,045 ⁵⁰	1.49

The price of sugar continues its downward course, and at present is much less than the

minimum cost of production which is shown for a number of countries in the following table.⁵¹

44. Cf. Raymond Leslie Buell, “Sugar and the Tariff,” *F. P. A. Information Service*, Vol. V, No. 6, May 29, 1929.

45. *Ibid.*

46. Cf. Chadbourne, *Facts about Sugar*, April 19, 1930.

47. Cf. Willett and Gray, *Weekly Statistical Trade Journal*, October 2, 1930.

48. *Foreign Crops and Markets*, cited.

49. U. S. Department of Commerce, *Commerce Yearbook*, 1929, Vol. II, p. 711.

50. *Journal of Commerce*.

51. League of Nations, *Sugar*, Geerligns, cited.

TABLE III
COST OF SUGAR PRODUCTION
(In cents a pound)

Cuba	2.37
Java	2.47
Philippines	3.06
Porto Rico	4.31
Hawaii	4.48
Louisiana	4.97

While production has been increasing by leaps and bounds, world consumption to the end of 1929 showed only a normal annual increase of 4.5 per cent.⁵² During the first six months of 1930 American consumption was reduced by 5 per cent,⁵³ and at the present rate will fall short of last year's record by some 200,000 tons.⁵⁴ It is estimated that European consumption will decline about 21½ per cent.⁵⁵ These facts may be partially accounted for by the change from prosperity in 1929 to world-wide depression in 1930. Another cause is said to be the decree for slim figures which has issued from Parisian fashion centers,⁵⁶ combined with cigarette

advertising which is familiar to all Americans.⁵⁷ It is questionable, however, whether the decrease in sugar consumption is as large as it appears. Some of the decrease in deliveries may be due to the cutting-down of stocks to a minimum on account of the drastic fall in price.⁵⁸ At the end of September 1929 there were sugar stocks in the United States of 926,000 tons, while on the corresponding date in 1930 they amounted to only 412,000 tons.⁵⁹

Production as well as consumption reached a record total in 1929 (see Table II), while the slightly reduced supply of 1930 was more than offset by decreased consumption. Consequently, on August 31, 1930, world stocks reached the record figure of 10,120,000 long tons, which was 10 per cent higher than the year before.⁶⁰

The following table shows the production, consumption and surplus of sugar from September 1, 1929 to August 31, 1930.⁶¹

TABLE IV
SUGAR PRODUCTION, CONSUMPTION AND SURPLUS—1930

Continent	Production	Consumption	Surplus (in thousands of long tons)
North America	8,530	6,930	1,600
South America	1,710	1,425	285
Europe	8,215	10,250	2,035 (deficit)
Asia	7,610	6,840	770
Africa	786	659	127
Oceania	630	460	170
World Totals	27,481	26,564	917

What will the world do with 10,120,000 long tons of excess sugar, which no one seems to want apparently at any price? The international conference of sugar producers which has recently ended at Brussels has endeavored to deal with this problem.

THE CHADBOURNE PLAN

Thomas L. Chadbourne, representative of American sugar interests in Cuba, formulated a plan which provided that Cuba limit its exports to the United States to 2,800,000 tons in 1931—slightly less than the average

export of recent years—and that 1,500,000 tons of the surplus stocks on the island be acquired and disposed of during the next five years by the National Sugar Export Corporation organized for the purpose.

The Cuban government on November 15, 1930 enacted a law to carry out the provisions of the Chadbourne plan. As payment for the sugar, the producers will receive 51½ per cent government bonds on the basis of \$4.07 for each bag of 325 pounds of sugar.⁶² To pay interest and amortize the principal of the bonds, a tax of 11 cents a bag will

52. Cf. Chadbourne, *Facts about Sugar*, October 1930; also League of Nations, *Sugar*, Mikusch, cited.

53. *International Sugar Journal*, August 1930.

54. Cf. Chadbourne, *Facts about Sugar*, October 1930.

55. *Ibid.*, May 17, 1930.

56. League of Nations, *Sugar*, Mikusch, cited.

57. *Ibid.*; also, Chadbourne, *Facts about Sugar*, January 25, 1930.

58. Cf. Chadbourne, *Facts about Sugar*, May 17, 1930.

59. Cf. *Weekly Statistical Trade Journal*, cited.

60. *New York Times*, October 14, 1930.

61. *Ibid.*

62. Law for the Stabilization of Sugar, Chapter I, Sections I and II.

be imposed on producers in each of the next five years.⁶³

A commission was appointed to engage in an international conference in Europe, composed of Dr. Viriato Gutiérrez, president; Thomas L. Chadbourne, José M. Gomez, José M. López Ona and William C. Douglas.⁶⁵

The first conference, which was held at Amsterdam late in November with representatives of the Java sugar industry, was successful. Java agreed to export 2,300,000 tons in 1931, and to increase this total 100,000 tons each year up to 2,700,000 tons in 1935, which is equivalent to a reduction of 10.42 per cent in each of the crops for the next five years.

Subsequent to this agreement, the Cuban and Javan producers proceeded to Brussels where they met representatives from Germany, Hungary, Poland, Czechoslovakia and Belgium. The outcome of this meeting was

not so satisfactory because Germany insisted on an export quota of 420,000 tons as against the 200,000 tons allotted to her on the basis of exports in the previous year. The remaining countries agreed to a reduction of 15 per cent in their export quotas in the next five years, ranging from 9,000 to 120,000 tons compared with exports in 1929-1930.

On January 8, 1931 an agreement was reached with Germany permitting German exports of 500,000 tons in 1930-1931, 350,000 tons in 1931-1932 and 300,000 tons in the three succeeding years.⁶⁶ This amounted to an increase of 750,000 tons in the German quota for the five-year period, which it is planned to offset by a decrease of 575,000 tons in the Cuban quota and 175,000 tons in the quotas of other European countries. As a result of this plan, which includes all sugar producers except those in Peru, Santo Domingo and Russia, the present sugar production of about 27,000,000 tons will be reduced by 2,300,000 tons.

PETROLEUM

Overproduction of petroleum results primarily from the nature of the industry. Oil prospecting, like prospecting for gold and diamonds, yields a few rich prizes which entice further search regardless of the average return to the prospector or the current demand for the product. There have been further incentives to exploit oil resources inasmuch as labor costs are relatively small and each prospector has been anxious to obtain maximum output, since competing wells draw from the same underground pool. Furthermore, nation has competed with nation in a race for oil resources, accelerating their development and exploitation.⁶⁷ The result has been prolonged overproduction, and a waste of economic resources which from their nature are irreplaceable.

The United States both produces and consumes about two-thirds of the oil output of the world. American production in 1929

totaled 1,006,000,000 barrels of forty-two gallons. Venezuela and Russia were next in production importance with outputs of 137,000,000 and 103,000,000 barrels respectively. The principal producing countries and the relative size of their outputs are given in the following table:

OIL PRODUCTION—1929

(in percentages)

United States	67.7
Venezuela	9.3
Russia	6.9
Mexico	3.0
Persia	2.8
Dutch East Indies	2.6
Rumania	2.3
Colombia	1.4
All other countries	4.0

Total100.0⁶⁸

In 1929 total imports of crude oil into the United States amounted to 78,932,500 barrels,⁶⁹ and exports of crude and refined oil to 163,120,000 barrels.⁷⁰ Crude oil is im-

63. *Ibid.*, Section III. Certain Cubans attacked the Chadbourne plan on the ground that it would sacrifice the interest of the Cuban producer to that of the American producer in Cuba, who could better afford to curtail production. Cf. Carlos Manuel de la Cruz, "Lo Que Cuesta a Cuba El Plan Chadbourne," *El País*, November 10, 1930.

65. Cuban Department of Agriculture, Commerce and Labor, Decree No. 1534.

66. Cf. *New York Times*, January 9, 1931.

67. Cf. Ludwell Denny, *We Fight for Oil* (New York, Knopf, 1928).

68. Compiled by E. B. Swanson, Division of Petroleum Economics, U. S. Department of Commerce, Bureau of Mines.

69. U. S. Department of Commerce, *International Trade in Petroleum and its Products, 1929* (Washington, Government Printing Office, 1929).

70. U. S. Department of Commerce, Bureau of Mines, *Report 1929*.

ported from the Latin American countries, refined, and re-exported again in the form of gasoline.

As production of petroleum has increased, the price has tended to decrease. In the last ten years world production has more than doubled, while the price was cut in half in 1921 and has since shown an irregular downward tendency, as indicated in the following table:

Year	Production	Price
1920	691	3.44
1921	765	1.86
1922	857	1.78
1923	1,013	1.71
1924	1,010	1.84
1925	1,064	1.96
1926	1,091	2.03
1927	1,255	1.55
1928	1,315	1.54
1929	1,468	1.67
1930	1.29 ⁷²

This huge increase in production has been encouraged by the rapid increase in the use of automobiles, and by the cutthroat competition in the petroleum industry which followed the dissolution of the Standard Oil Trust in 1911.

Although consumption has increased rapidly, refineries have so improved their methods that increased demand for gasoline is easily supplied with a smaller production of crude oil. The newer process of cracking can yield up to 60 per cent,⁷³ while hydrogenation promises to yield 100 per cent.⁷⁴ At present there are about 700,000,000 barrels of crude petroleum and products stored in the United States, including about 40,000,000 barrels of gasoline.

Before it was realized how great the oil resources of the world actually were, there was much agitation for conservation, with the result that in 1924 the Federal Oil Conservation Board was created by President Coolidge.⁷⁵ In spite of the conservation movement, production increased until in February 1929 an understanding was

reached by the leading oil concerns of the world, with the exception of the Russian, to keep production at the 1928 level. The Attorney-General of the United States stated that the proposed plan violated the Sherman Anti-Trust Law,⁷⁶ but some restriction has been achieved, nevertheless, through state and local units working in connection with the American Petroleum Institute.⁷⁷

The smaller producers are being urged to combine for "unit development"; that is, to have their field operated as a unit. It is thought that unit development is the only measure that can prevent the Kettleman Hills field, with its unusually deep wells and very light oil containing from 50 to 80 per cent gasoline, from ruining the American oil industry.⁷⁸

Some improvement in conditions is indicated by the attainment of a current equilibrium between supply and demand for petroleum; but the price structure is still weak because of inventories.⁷⁹ In 1928 total stocks of all oils increased 22,782,000 barrels, and in 1929, 68,156,000 barrels.⁸⁰ To October 1930 petroleum inventories increased by only about 4,000,000 barrels,⁸¹ while the daily rate of production in October showed a decline of 17 per cent from the corresponding period a year ago—reaching the lowest rate in over two years.⁸² Refining activities also decreased, from 85 per cent of capacity in October 1929 to 66 per cent in October 1930.⁸³

Conditions in the oil industry have been aided by an 8 per cent increase in the 1930 consumption of gasoline over 1929.⁸⁴ The growth of consumption was less than in 1929, however, and this has prevented a reduction in stocks.⁸⁵

In South America rapid strides are being made toward cooperation. In Venezuela proposals to curtail production have been made by both Lago Petroleum (Standard Oil of Indiana) and Royal Dutch Shell. While disagreement over details has prevented ac-

71. Cf. *International Statistical Yearbook*, 1929, p. 108.
71a. *Commerce Yearbook*, 1929, Vol. I.
72. Price in third week of October furnished by J. E. Pogue.
73. *Trade Winds*, cited, April 1930.
74. *Analyst*, September 12, 1930.
75. Cf. T. M. Kanappen, "Why Oils are in the Spotlight," *Magazine of Wall Street*, April 19, 1930.

76. *Foreign Trade*, August 1930.
77. *Magazine of Wall Street*, April 19, 1930.
78. *Wall Street Journal*, October 10, 1930.
79. Cf. J. E. Pogue, "High Cost of Gasoline Surplus," *Oil and Gas Journal*, October 2, 1930.
80. *Wall Street Journal*, October 10, 1930.
81. *Barron's*, October 6, 1930.
82. *Petroleum Age*, September 1930.
83. American Petroleum Institute, *Weekly Reports*.
84. *Petroleum Age*, September 1930.
85. Cf. *Oil and Gas Journal*, October 2, 1930, cited.

ceptance of these proposals, the other two large companies in Venezuela—Gulf Oil and Creole Petroleum (Standard Oil of New Jersey)—have voluntarily restricted their 1930 production. The result is that for the first nine months of 1930 the total oil output of Venezuela has remained practically equal to that in the corresponding period of 1929—at about 101,000,000 barrels.⁸⁶ Production has been further limited by the fact that there has been no increase in the total capacity of the shallow-draft tankers which transport the Venezuelan crude oil over the Lake of Maracaibo.⁸⁷ In Colombia production is likewise limited by the capacity of the Andean

pipe line.⁸⁸ Cooperation has not been necessary in certain other countries, such as Mesopotamia, as the entire production there is in the hands of a single company.

Cooperative control of the existing oil supply, which appears to be the only solution to the problem of overproduction, has been achieved in several of the leading oil fields of the United States and similar measures are being considered in the leading competitive pools of foreign countries. In this case measures to control supply seem economically justified, provided prices continue to maintain a reasonable relation to costs.

COFFEE

On October 6, 1930 revolution broke out in Brazil, causing a drop in the price of coffee to the lowest point in recent years. The São Paulo Coffee Institute had maintained coffee prices at such high levels in preceding years that there was an orgy of overproduction in all coffee-producing countries, which culminated in a complete breakdown of the whole system of price control, a sharp fall in Brazilian exchange, and revolution.

Brazilian domination of the world coffee trade dates from the latter part of the nineteenth century. For a period of thirty-five years, from 1880-1881 to 1914-1915, the world's production of coffee, exclusive of Brazil, ranged annually from about 4,000,000 to 4,500,000 bags of 132 pounds each. Brazilian production, however, increased during this period from an average of 5,500,000 bags to more than 13,000,000 bags annually.⁸⁹ During the following decade Brazilian output was maintained at about the same average level, but there was a further expansion in 1927-1928 and 1929-1930.⁹⁰ In 1928 Brazil exported 1,832,000,000 pounds, while Colombia, the next largest producing country, exported 352,000,000 pounds.⁹¹ Other coun-

tries which contributed materially to the world's supply of coffee were the Dutch East Indies, Venezuela and Salvador.

Most of the world's supply of coffee is classed as either "Brazilian" or "milds."⁹² The "milds," which are grown in the Caribbean countries, comprised about 20 per cent of world production in the five-year period, 1905-1910, and have increased consistently so that in the last five years they have amounted to 30 per cent.⁹³

World consumption of coffee has shown a normal increase. The use of coffee in the United States, the chief consuming country, has increased greatly from 1913 to 1927 and now amounts to about twelve pounds per capita annually.⁹⁴

It is difficult to adjust production of coffee to demand, as the shrub does not begin to bear in commercial quantities until the sixth or eighth year.⁹⁵ Furthermore, a bumper crop one year may cause trees to become exhausted and give only a small yield the next season. The size of the crop, however, can usually be foretold with considerable accuracy almost a year in advance from the abundance of the flowers—which in Brazil begin to bloom in August and September,

86. O'Shaughnessy's South American Oil Reports, *Wall Street Journal*, October 16, 1930.

87. *Wall Street Journal*, October 18, 1930.

88. *Oil and Gas Journal*, January 30, 1930.

89. Cf. McCreery and Bynum, "The Coffee Industry in Brazil," U. S. Department of Commerce, *Trade Promotion Series*, No. 92, 1930.

90. *Commerce Yearbook*, 1929, Vol. II.

91. Cf. Henry H. Childers, "World Coffee Consumption Grows," *Exporters and Importers Journal*, February 28, 1930.

92. Cf. George J. Eder, "Latin-American Trade Economics," *Tea and Coffee Trade Journal*, August 1930.

93. Cf. *Bank of America Review*, June 1930.

94. *Commerce Yearbook*, 1929, Vol. II.

95. Cf. McCreery and Bynum, "The Coffee Industry in Brazil."

while the crop is not ready to come on the market until the following July.⁹⁶

THE SAO PAULO COFFEE INSTITUTE

The history of price control in Brazil dates from 1905. Since that time there have been three successful valorizations,^{96a} all of which were liquidated at profits, concluding in 1923. Prices surprisingly continued to rise through 1925.⁹⁷

World production and prices of coffee since 1922 are shown in the following table:

Year	Thousands of bags ⁹⁸	Cents per pound ⁹⁹
1922	19,788	10.2
1923	15,899	11.5
1924	26,324	16.8
1925	17,777	20.4
1926	22,102	18.2
1927	21,742	14.8
1928	34,143	16.5
1929	19,589	15.7
1930	37,347	8.8

After three successful and profitable attempts at valorization, it is not strange that the planters clamored for permanent control to regulate the marketing of the alternating large and small crops. In 1925 the Institute for the Permanent Defense of Coffee was organized by the state of São Paulo, and later similar measures were taken by the other coffee-growing states of Brazil.¹ The Institute aimed to stabilize prices through regulation of supplies coming into the market; it was to resort to buying only in emergencies. Huge warehouses were constructed in the interior and foreign credit was obtained to enable planters to store coffee. The coffee crop of 1927-1928 was of record size but, by the extension of credit and restriction of receipts in primary markets, prices were maintained at a fairly high level until 1929.

The price level set by the São Paulo Institute was determined by the desire to protect

the highest-cost producers, those in the "old zone," where a majority of the trees are over thirty-five years of age and have long shown declining production.² As a result, marginal producers flooded the market, mild coffee entered into competition in world trade and supplies were piled up in the interior. The increase of stocks in the interior warehouses of São Paulo is shown by the following table.³

July 1	Thousands of bags
1924	4,592
1925	1,786
1926	2,833
1927	3,312
1928	11,672
1929	8,785
1930	21,210

In 1927-1928 world production increased 15,000,000 bags, while consumption increased only 2,000,000 bags. This increase was almost entirely in Brazilian coffee, which represented 78 per cent of the world's crop.⁴ To maintain prices, stocks were increased by 9,500,000 bags, an amount equal to more than one-third of the entire crop. Although the São Paulo crop of 1928-1929 was small, nearly 9,000,000 bags remained in the warehouses,⁵ and the large crop of 1929-1930 caused a serious crisis despite the efforts of the São Paulo Coffee Institute.⁶ On July 1, 1929 the visible world supply of coffee was about 14,000,000 bags.⁷

Meanwhile the continual carrying of the stocks had exhausted the credit resources of the Institute and private banks. From September to November 1929 prices broke from 16 to 11 $\frac{3}{4}$ cents a pound, a decrease of 26 per cent.⁸ Panic reigned, and the Rio and Santos coffee exchanges closed their doors until a moratorium was declared by President Washington Luis.⁹

Finally, in April 1930, it was announced that a loan of \$100,000,000 had been made

96. Cf. Wallace & Edminster, *International Control of Raw Materials*.

96a. Valorization is the process of attempting to give an arbitrary market value or price to a commodity by government interference or by maintaining a purchase fund to enable producers to hold their products.

97. *Ibid.*

98. Cf. U. S. Department of Commerce, Foodstuffs Division. (Data are for the year ending in 1922, etc.)

99. Cf. *Journal of Commerce*. (Quotations are for Rio No. 7, at New York.)

1. The Institute subsequently changed its title to São Paulo Coffee Institute. Cf. Wallace & Edminster, *International Control of Raw Materials*.

2. *Ibid.*

3. Cf. *Wall Street Journal*, October 8, 1930. The figures given by the *Wall Street Journal* for the years 1928 to 1930 inclusive have been changed, on the basis of a report of the U. S. Department of Commerce, to give São Paulo stocks only.

4. Cf. Emmett Harris, "Coffee Tips the Scales," *American Bankers Association Journal*, January 1930.

5. *Ibid.*

6. Cf. Wallace & Edminster, *International Control of Raw Materials*.

7. Cf. *ibid.*; also, Harris, "Coffee Tips the Scales."

8. Cf. Harris, "Coffee Tips the Scales."

9. Cf. *Wall Street Journal*, October 8, 1930.

by a group of international bankers, to be secured by 16,500,000 bags of coffee. The terms called for the sale of this entire amount within ten years and required the state to place future crops on the market currently unless their accumulation was necessary to protect the loan.¹⁰ Control of the coffee industry is thus divided between the Institute and the bankers.

The decline in coffee prices was augmented by the financial panic, the world business depression and the rapid decline of commodity prices generally. After the flowering of the coffee trees, the early estimates of the 1930-1931 Brazilian crop had to be revised upward from 12,000,000 bags¹¹ to 15,710,000 bags.¹² The visible world supply¹³ was announced on July 1, 1930 as 29,024,375 bags,¹⁴ of which stocks in Brazil amounted to 23,686,848 bags.

As prices went down, purchasers continued a hand-to-mouth buying policy which intensified the depression. Conditions in Brazil became more and more acute as the price

of coffee declined more than 25 per cent, and plantation owners reduced the wages of their *colonos* (tenants) by a similar amount, but gave them the right to plant other cereals between the rows of coffee plants.¹⁵ The *colonos*, on the other hand, found themselves impoverished not only by the overproduction of coffee but by the inflation of paper money.

On October 6, 1930 affairs reached such a crisis that, following outbreaks in several sections of Brazil, banks and coffee exchanges were closed, and the price of coffee dropped to the lowest level since 1921. The May 1930 Rio future at New York touched 5.2 cents a pound, as compared with the record low of 3.55 cents in 1903.¹⁶ The recent revolution was largely a protest against the domination of the state of São Paulo and its control of the coffee industry.¹⁷

The outlook for the coffee industry at present contains both favorable and unfavorable elements. The most pessimistic factor is the present statistical position, which is shown in the following table.¹⁸

STATISTICAL POSITION OF COFFEE		Bags
Brazilian free port stocks	1,543,527	
Interior Stocks	23,686,848	
Total visible supply, Brazil, July 1, 1930		25,230,375
Visible supply, Europe	2,604,000	
Visible supply, United States	1,190,000	
World's visible supply, July 1, 1930		29,024,375
Total Brazil 1930-1931 crop	15,710,000	
Total other countries	9,000,000	
Total		53,734,375
Less estimated world's consumption 1930-1931	25,000,000	
Estimated visible supply, July 1, 1931		28,734,375

From these figures it is obvious that if the estimated world consumption is correct, the huge Brazilian stocks will be practically unchanged. Since only 16,500,000 bags are officially controlled by the bankers who made

the April 1930 loan,¹⁹ the balance of 12,234,375 bags is likely to have a depressing effect upon the market. It is a debatable question whether the actual per capita consumption will increase or decrease, as the lessened purchasing power of consumers may be counteracted by the decline in price.

10. Cf. Wallace & Edminster, *International Control of Raw Materials*.

11. Cf. J. Schroder and Company, "The Bankers and São Paulo," *Tea and Coffee Trade Journal*, August 1930.

12. Cf. *Wall Street Journal*, October 3, 1930.

13. Cf. Wallace & Edminster, *International Control of Raw Materials*.

14. Cf. *Wall Street Journal*, October 8, 1930. A later estimate by the U. S. Department of Commerce placed this figure at 29,259,000 bags.

15. Cf. Presidential Message to Congress of Dr. Washington Luis, *Tea and Coffee Trade Journal*, August 1930.

16. Cf. *Wall Street Journal*, October 7, 1930.

17. *Ibid.*, October 8, 1930.

18. *Ibid.*

19. Cf. p. 450.

Moreover, Brazil has not yet felt the entire consequences of her overproduction. In São Paulo last year there were 1,150,000,000 coffee-bearing trees, and 250,000,000 new trees were to come into bearing during 1930. Since the coffee shrub bears at its maximum capacity from the fourth to the twelfth year, Brazil may expect unprecedented coffee harvests during the next decade.²⁰

There are a few favorable factors in this situation. Since buyers have been holding off, invisible supplies are believed to have been reduced to a minimum.²¹ Roasters are complaining that due to export restrictions they have difficulty in securing the desired grades at the proper time.²²

When control was first inaugurated, a tax was placed on the planting of new trees, but this tax was not enforced. It is hoped that some curtailment will be obtained by permitting the *colonos* to plant catch crops between the rows of coffee trees and that this plan will lower their cost of living.²³ If the price of coffee continues low, the coffee fields and trees may not be given proper care and this would permanently lower the yield.²⁴

Other potential limits to production are the frost and the coffee pest, which is now under control but may spread if extreme vigilance is relaxed.

It is hoped that the new law prohibiting

the export of the lower grades of coffee from Brazil will improve the world market situation. Part of the low-grade stocks will be used as fertilizer and part will be destroyed. It is believed that the policy of offering a higher grade also will tend to raise the average price.²⁵ Another reducing factor will be the depletion of stocks now in warehouses, by rotting and by destruction from the coffee bug, which attacks the beans in the bags.

Coffee cannot be indefinitely produced at a loss and this is a final factor which will tend to limit world output. There is a large 1930 crop in Colombia, but a further price decline would tend to curtail output. Curtailment through price competition, however, is almost certain to cause a prolonged period of depression in all the coffee-producing countries.²⁶

Owing to the length of time which is required to raise a coffee shrub and the number of years during which it continues to bear, an immediate limitation of coffee production to demand seems improbable. However, output over a period of years will probably be restricted by a number of factors—lower yields, destruction of poorer grades and unprofitable prices. A gradual increase in world demand also should tend eventually to remedy the existing condition of overproduction.

SUMMARY

The preceding studies show in detail the results of artificial control of either the production or distribution of commodities. Although high prices and large profits may be obtained for a few years, the net result seems to be a complete demoralization of the industry, which can only be adjusted by a long and painful process. Coffee in Brazil, rubber in the East Indies, and copper in North America are outstanding examples of the history of price control.

To be effective, control must be international in scope and must aim at the production and not the marketing of the supply. Such international cooperation, together with the removal of the tariff barriers where there is a local instead of a world surplus, are the only measures which will help to alleviate the situation. All such measures, however, tend to prolong a period of maladjustment which can only be permanently cured by such readjustments as are dictated by the changes in relative demand and prices.

20. Cf. *Bank of America Review*, June 1930.

21. Cf. Nortz and Company, "World Coffee Trade and Supply," *Tea and Coffee Trade Journal*, September 1930.

22. Alfred Bosch, "Brazil's Experience with Coffee Valorization," *Trade Winds*, July 1930.

23. Cf. "The Bankers and São Paulo." Also, Presidential Message to Congress of Dr. Washington Luis.

24. Cf. *Bank of America Review*, June 1930.

25. *Wall Street Journal*, September 23, 1930, Decio de Paula Machado.

26. Cf. A. Ogden Pierrot, "Brazil's Coffee Policy Modified," *Brazilian Business*, May 1930.

AMERICA'S STAKE ABROAD

by

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INTRODUCTION

THROUGHOUT 1929 the sale of foreign issues, especially those of the fixed-income-bearing kind, was greatly reduced by the speculative fever which was raging in American markets. The "equity" fan and the "common stock-as-a-long-term-investment" advocate shunned bonds and succeeded in spreading their doctrine among the American investing public.

With the advent of 1930, it was hoped and expected that the American speculator would once again become an investor, and the revival of the bond market was freely predicted. Our underwriters resumed their activities in foreign fields, and our investing public gradually was prepared for the new foreign invasion. The collapse of the stock market, however, proved more than a temporary affair. Moreover, as the crisis rapidly spread and assumed a universal character, the credit standing of debtor nations and potential borrowers became somewhat impaired, and the lending ability of creditor powers also diminished.

Foreign borrowers who had relied on the continued flow of gold from the new creditor power, and who had, in consequence, embarked on all sorts of ambitious projects, discovered that the stream of gold had suddenly ceased. Work which was in the process of being executed was ended abruptly. Unemployment set in, accompanied or followed by all the economic, political and social ills resulting from armies of men and women out of work.

In Latin America the results were felt more keenly than in other sections. Economic unrest, aggravated by disastrous declines in the price of commodities, together with political abuses, resulted in upheavals, and a number of governments were overthrown. The American investor, who has experienced not a single default in respect of all foreign government, state, municipal

and corporate issues sold here during the entire post-war period, with the exception of the bonds of the Brazilian state of Santa Catharina, may be called upon to forego interest or sinking-fund payments on certain of his foreign holdings unless a way is found whereby new debts will be contracted to meet existing obligations. This may be especially true of Latin America, where large amounts of capital are needed for the development of rich natural resources. However, the series of revolutions in a number of the Latin republics, unrest in the remaining republics which have not as yet revolted, and reported difficulties in certain others despite the fact that they have already gone through revolutions, are not likely to render the American investor receptive for additional Latin American loans. This applies particularly to Bolivia, which on January 1, 1931 defaulted on its 7 per cent external loan of 1927, sold in the American market,^{1a} and also to Peru, the Argentine provinces and cities, Brazil and most of the Brazilian states and cities, Colombia and her departments and cities, and, to a lesser extent, to Chile and Uruguay.

Europe is another field where large amounts of foreign capital are urgently needed. Countries whose credit standing is of the highest need not come to us, however; they can finance their requirements in the home market on much more favorable terms than in the American market. They are repaying or repurchasing whatever bonds remain outstanding. This holds true of the Scandinavian countries, especially Sweden, and of the Netherlands, Switzerland, France, Belgium and Great Britain. The remaining European countries, although sorely in need of foreign capital, are likely to experience difficulties in raising it. Of countries coming under this category, Germany and Italy

^{1a}. Cf. *New York Times*, January 2, 1931.

head the list. Payments made by these countries on account of war debts and commercial obligations have, thus far, been made possible chiefly through new borrowing. Unless means are found whereby additional credit can be extended, both Germany and Italy—or rather the creditors of these countries—may experience serious difficulties, the former with regard to war debts and the latter with regard to both war debts and commercial obligations.

We do not, however, intend to convey the thought that the influx of capital into Germany, Italy and other countries will cease. Our bankers may and in all probability will find it necessary to continue to lend. Such processes cannot, however, last indefinitely. Could not a way be found which would increase, or at least regulate, the consumptive capacity of the Old Continent, which on the whole is suffering from a distinctly low standard of living? Herein would seem to lie the solution to the existing economic problems. Our stake abroad is too large to permit of the adoption of an attitude of indifference. We have, up to December 31, 1930, invested abroad a total of more than \$17,528,254,000,¹ exclusive of the so-called war debts, which, capitalized at 4¼ per cent, aggregate \$6,862,285,000, and make a total

foreign investment of well over \$24,300,000,000.

Our banking and investing public should be taught to appreciate that credit extended to our neighbors for constructive and productive purposes is not money lost to the United States, but is a distinct credit to us; while a credit to a foreign country for non-productive purposes is not only harmful to the recipient but a decided discredit to the United States.

Excluding refunding operations or repayments, American investments abroad in 1930 aggregated \$1,550,056,000, as compared with \$1,465,958,000 in 1929, a gain of about 5.74 per cent—a rather significant accomplishment in view of the prevailing world-wide economic depression, and the resultant decrease in the capacity of debtors to absorb, and creditors to extend, additional loans. These figures comprise, as do those presented in four earlier studies in a series on American foreign investments prepared for the Foreign Policy Association, foreign issues publicly offered and privately placed in the United States, as well as so-called direct investments and the acquisition by American investors of foreign internal securities.

A summary of America's foreign investments during 1930 is presented in Table I.

SUMMARY OF FOREIGN INVESTMENTS IN 1930

Of America's total investments abroad in 1930, Europe once more heads the list with a net total of \$565,222,000. Of this, \$383,964,000 represented investments in European corporations; the remainder, investments in European governments, states and municipalities.

Canada ranks second with a total of \$446,461,000, of which \$282,999,000 represented investments in corporations; the balance, investments in government, provinces and municipalities.

South America ranks third with a total of \$341,687,000, with governments, states and municipalities accounting for \$177,258,000; and corporations for the balance of \$164,429,000.

Australasia follows with a total of \$88,472,000, of which \$72,000,000 represented investments in governments, states and

municipalities, and the remainder, investments in Australasian corporations.

Central America, Cuba, Mexico and the West Indies were next in order, with \$68,454,000, of which \$64,500,000 represented investments in governments and municipalities, the remainder representing corporate investments.

1. In November 1930 the Department of Commerce published a study on "American Direct Investments in Foreign Countries," estimating our commercial investments abroad at \$7,478,000,000, as compared with an estimate of \$5,000,000,000 in their May 1930 study. Of this amount, \$1,744,722,000 was said to represent "overlapping" items; that is, publicly sold securities the proceeds from the sale of which were employed toward financing "direct" investments abroad. Adding to the November estimate publicly-offered loans, exclusive of refunding operations—which aggregated, according to the Commerce Department's estimate, \$11,834,154,676—our total investments abroad at the end of 1929 according to this authority would be \$17,567,432,676, a figure higher than that reached by the writer in his studies relating to America's foreign investments.

To the figures given by the present study may be added the inter-allied war debts. On July 1, 1930 these were outstanding to the amount of \$11,636,778,640. Thus, America's total investments abroad may be said to aggregate \$29,165,032,600. Placing the present value of these war debts as funded on a basis of interest at the rate of 4¼ per cent per annum, we obtain \$6,862,285,000, or a grand total of America's foreign investments of \$24,390,549,000—about 6 per cent of the total national wealth of the United States.

TABLE I
FOREIGN FINANCING IN THE UNITED STATES DURING 1930

<i>Region</i>	<i>Amount Issued</i>	<i>Amount Refunded</i>	<i>Net Amount</i>
EUROPE (excluding Germany):			
Governments, states and municipalities	\$156,963,000	\$ 99,955,000	\$ 57,008,000
Corporations	264,075,000	34,913,000	229,162,000
TOTAL EUROPE (excluding Germany)	421,038,000	134,868,000	286,170,000
GERMANY:			
Government, states and municipalities	192,250,000	68,000,000	124,250,000
Corporations	159,802,000	5,000,000	154,802,000
TOTAL GERMANY	352,052,000	73,000,000	279,052,000
TOTAL EUROPE:			
Governments, states and municipalities	349,213,000	167,955,000	181,258,000
Corporations	423,877,000	39,913,000	383,964,000
TOTAL EUROPE	773,090,000	207,868,000	565,222,000
CANADA:			
Government, provinces and municipalities	206,210,000	42,748,000	163,462,000
Corporations	311,850,000	28,851,000	282,999,000
TOTAL CANADA	518,060,000	71,599,000	446,461,000
SOUTH AMERICA:			
Governments, states and municipalities	243,458,000	66,200,000	177,258,000
Corporations	164,429,000	.....	164,429,000
TOTAL SOUTH AMERICA	407,887,000	66,200,000	341,687,000
CENTRAL AMERICA (including Mexico, Cuba and West Indies):			
Governments and municipalities	64,500,000	.....	64,500,000
Corporations	3,954,000	.....	3,954,000
TOTAL CENTRAL AMERICA	68,454,000	.....	68,454,000
AUSTRALASIA:			
Governments, states and municipalities	93,500,000	21,500,000	72,000,000
Corporations	64,997,000	48,525,000	16,472,000
TOTAL AUSTRALASIA	158,497,000	70,025,000	88,472,000
AFRICA:			
Corporations	27,384,000	.....	27,384,000
TOTAL AFRICA	27,384,000	.....	27,384,000
UNITED STATES TERRITORIES:			
Governments and municipalities	9,500,000	.....	9,500,000
Corporations	2,876,000	.....	2,876,000
TOTAL U. S. TERRITORIES	12,376,000	.....	12,376,000
TOTAL GOVERNMENTS, STATES AND MUNICI- PALITIES	966,381,000	298,403,000	667,978,000
TOTAL CORPORATIONS	999,367,000	117,289,000	882,078,000
GRAND TOTAL	\$1,965,748,000	\$415,692,000	\$1,550,056,000

Investments in South African mining companies made during the year aggregated \$27,384,000.

Investments in United States territorial possessions accounted for \$12,376,000; with \$9,500,000 representing investments in governments and municipalities, and the remainder, investments in corporations.

Making proper allowance for bond re-

demptions, sinking-fund operations and repatriations of American foreign investments, our total stake abroad, at the beginning of 1931, amounted to \$17,528,254,000, as compared with \$16,604,052,000 at the beginning of 1930, and with \$2,625,000,000 at the beginning of 1914.

The distribution of our foreign investments is shown in Table II.

TABLE II
AMERICA'S FOREIGN INVESTMENTS
(In thousands of dollars)

<i>Region</i>	<i>Jan. 1, 1931</i>	<i>Jan. 1, 1930</i>	<i>Jan. 1, 1914</i>
Europe	\$5,607,332	\$5,107,495	\$350,000
Canada	4,436,011	4,389,000	750,000
South America	3,013,935	2,785,825	100,000
Central America*	2,985,135	2,936,510	1,200,000
Australasia	995,051	925,837	175,000
Miscellaneous	490,790	459,385	50,000
TOTAL	\$17,528,254	\$16,604,052	\$2,625,000

*Includes Cuba, Mexico and West Indies.

THE WAR DEBTS OWING TO THE UNITED STATES

In view of the marked revival of interest in the war debts owing to the United States and the likelihood that 1931 may witness

important developments with regard to these debts, a detailed statement of such obligations, as of January 1, 1931, is given in Table III.

TABLE III
STATUS OF WAR DEBTS OWING TO THE UNITED STATES*
(As of January 1, 1931)

	Amount originally received	Principal received or to be received under funding agreements	Present values of funded debts as of dates of funding on basis of interest rate of 4% per cent per annum, and percentage that present value bears to debt prior to funding†		Total indebtedness outstanding	Total payments to date
			<i>Present value</i>	<i>Per cent.</i>		
Armenia	\$11,959,917	—	—	—	\$18,421,141	—
Austria	24,055,709	\$24,614,885	**	—	24,039,773	\$575,112
Belgium	379,087,200	417,780,000	\$225,000,000	46.5	404,730,000	46,516,273
Cuba	10,000,000	—	—	—	—	12,286,752
Czechoslovakia ..	91,879,671	185,071,023	91,964,000	74.3	168,511,023	16,804,178
Estonia	13,999,146	13,830,000	11,392,000	80.5	16,375,440	1,001,442
Finland	8,281,926	9,000,000	7,413,000	80.7	8,604,000	2,825,625
France	3,404,818,945	4,025,000,000	1,996,509,000	47.2	3,865,000,000	465,400,891
Great Britain	4,277,000,000	4,600,000,000	3,788,470,000	80.3	4,398,000,000	1,845,828,299
Greece	27,167,000	32,497,000	††	—	31,760,000	2,616,936
Hungary	1,685,836	1,982,555	1,596,000	80.4	1,908,560	439,838
Italy	1,648,034,050	2,042,000,000	528,192,000	24.6	2,017,000,000	84,223,797
Jugoslavia	51,758,487	62,850,000	20,030,000	30.3	61,850,000	2,363,772
Latvia	5,132,287	5,775,000	4,755,000	80.7	6,838,128	530,829
Liberia	26,000	—	—	—	—	36,471
Lithuania	4,981,628	6,432,465	4,967,000	79.9	6,235,207	997,527
Nicaragua	431,849	—	—	—	323,628	168,783
Poland	159,666,972	178,560,000	146,825,000	80.5	207,870,429	19,555,284
Rumania	37,922,675	66,560,560	35,172,000	74.9	64,560,560	4,061,946
Russia	192,601,297	—	—	—	308,566,519	8,748,879
TOTAL	\$10,350,490,596	\$11,671,953,489	\$6,862,285,000†	57.0	\$11,610,654,408	\$2,514,982,634

*Figures as of July 1, 1930 were given in "The Inter-Ally Debts," *The Guaranty Survey*, Guaranty Trust Company of New York, Vol. X, No. 8, November 24, 1930, p. 7-9. On the basis of a *Report of the Secretary of the Treasury* giving the status of these debts as of November 15, 1930 and a Treasury Department press release of December 15, 1930, the figures in the last two columns have been revised to show the total indebtedness outstanding and total payments made as of January 1, 1931. **EDITOR.**

†Interest rates on foreign obligations prior to funding ranged from 3 to 5 per cent.

**Time of payment of principal and interest extended to June 1, 1943.

††New loan made at time of funding agreement.

‡On the basis of an interest rate at 3 per cent per annum, the present value of these debts would be \$9,174,167,000, and the result would be to indicate that all our debtors except Belgium, France, Italy and Jugoslavia had been overcharged. (Cf. Lewis Webster Jones, "The United States and the War Debts," *F. P. A. Information Service*, Vol. III, Special Supplement No. 1, p. 20-21.) **EDITOR.**

TABLE IV
AMERICAN FOREIGN INVESTMENTS IN 1930*
A—EUROPE (Excepting Germany)

I—GOVERNMENTS, STATES AND MUNICIPALITIES

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
7.40	Austria 7s, 1957	95	\$25,000,000	\$
	Belgium 7½s, 1941	115 ¹	.....	34,500,000
	Belgium 8s, 1941	107½	.....	16,875,000
5.23	Bergen (Norway) 5s, 1960	96½	2,680,000	2,680,000
5.25	Bergen (Norway) 5s, 1949	97	1,900,000	1,900,000
	Danish Consolidated Municipal 8s	107½ ¹	.....	10,000,000
	Finland (Credit)		8,625,000	
5.75	Greek 5½s Treasury Discount Bonds, 1931	100	7,500,000	
6.90	Helsingfors 6½s, 1960	95	8,000,000	
4.375	Hungarian Export Credit (January 15, 1933) ..		5,000,000	
5.75	Hungarian Treasury Bills (November 21, 1931)		5,000,000	
	Linz 7s, 1955	89	5,000,000	
	Lithuania 6s, 1965 (Match Monopoly Loan) ..	93	6,000,000	
	Poland (Government Credit) ²		3,000,000	3,000,000
	Poland (Match Monopoly Loan) 6½s, 1965	93	32,400,000	5,000,000
5.00	Rumania (Crop Moving Credit)		1,500,000 ³	
8.00	Rumania 8s, 1935	100	4,000,000 ⁴	
	Spain (Refunding Credit)		3,100,000 ⁵	
	Spain (Currency Credit) .....		.....	25,000,000 ⁶
	Turkey 6½s, 1955 (Match Monopoly Loan)		10,000,000	

1. Price at which refunded.
2. Arranged for the purpose of acquiring Polish Government 7s, 1947.
3. Estimated amount taken in the United States of total of Fcs. 200,000,000.
4. Amount advanced by American interests.
5. Amount taken in United States of total of 350,000,000 pesetas.
6. Amount refunded in United States of total of £10,000,000.

II—CORPORATIONS

	Addressograph, Ltd. (London) ¹		\$	\$
	"Aku" (General Rayon Union) 6% Preferred		3,600,000 ²	3,000,000
	American Produce Trading Corp.		400,000 ³	
	American Turkish Investment Corp.		9,998,000 ⁴	
5.25	Armstrong Cork Co. 5s, 1940	98	5,000,000 ⁵	
	Asch, Ltd. (England) ⁶ .....		.....
	Associated Lead Manufacturers, Ltd. ⁷ .....		.....
	Avon India Rubber Co., Ltd. ⁸ .....		.....
	Backus Brooks Co. (Finland) ⁹ .....		.....
	Banco Italo-Britannica		4,000,000 ¹⁰	
	Bank for International Settlements		3,000,000 ¹¹	
	Bayuk-Ada Mine (Turkey) ¹² .....		.....
	Beryllium Co. (Austria)		115,000 ¹³	
	British American Cedar Corp.		{ 1,000,000 ¹⁴	
	British Can Co., Ltd.		{ 12,500 ¹⁵	
	British Can Shares, Inc.		670,000 ¹⁵	
	Cable, Telephone & General Trust, Ltd.	4.86	100,000 ¹⁶	
			1,000,000 ¹⁷	

1. Foreign subsidiary of American company. Amount involved not stated.
2. Estimated amount placed in United States of total issue of 18,000,000 guilders.
3. Represents capital of new company formed by American interests in Holland with 1,000,000 guilders.
4. Represents increase in capitalization of Delaware company from \$2,000 to \$10,000,000.
5. Estimated amount employed by company in expanding its properties in Spain, France, Portugal, Algeria, Tunis and Morocco. Entire issue offered, \$14,931,000.
6. American interests acquire 65 per cent of capital. Amount involved not stated.
7. Arrangement made with American company under which English concern secures exclusive right to manufacture and sell American company's products in England and Ireland. Amount involved not stated.
8. American interests acquire 20 per cent of shares of British concern. Amount involved not stated.
9. Company to erect plant for manufacture of pulp boards, with an estimated capacity of 100,000,000 feet per annum. Amount involved not stated.
10. Represents issued and outstanding capital (75,000,000 lire) of Italian bank with total assets of 992,000,000 lire, acquired by American interests, largely through exchange of shares.
11. Estimated amount placed in the American market.
12. Acquired by American interests. Amount involved not stated.
13. Authorized capitalization of company formed by German and New York interests.
14. Represents authorized capital of new company, formed under Delaware laws.
15. Represents estimated amount acquired by American interests (British Can Shares, Inc.) of total of £536,000.
16. Represents number of shares of new company, formed under Delaware laws.
17. Represents estimated amount of total of £390,000 taken by American interests.

*Owing to the fact that in some instances items contained in this tabulation are expressed elsewhere, it was deemed desirable, to avoid confusion, to omit the totals in the recapitulation in Table I.

A—EUROPE, excepting Germany,

II—CORPORATIONS (Continued)

Yield	Issue	Offered Price	Amount	Amount Refunded
	Chrysler Motor Co. (Denmark) ¹⁹		\$.....	\$
	Cia. Generale de Eletricita		420,000 ¹⁸	
	Cie. des Surchauffeurs de Paris ¹²		2,000,000 ²⁰	
	Cie. Française des Procédés Thomson-Houston		2,000,000 ¹⁴	
	Cie. Franco-Anglaise de Gaz et d'Electricité		500,000 ²¹	
	Cie. Générale Transatlantique	24	3,652,000 ²²	
	Cie. Standard Franco-Américaine		750,000 ²⁵	
	Claude Neon General Lights, Ltd. ²³		5,000,000 ²⁶	
	Constantinople Telephone Co. ²⁴		3,500,000 ²⁷	
	Constructora Nacional Maquinaria Electrica ..		5,000,000 ²⁸	
	Crane Co. 5s, 1940	100	5,000,000 ²⁹	
	Edmondson's Electricity Corp. 5s	93 ½	5,000,000 ³⁰	
	Energia Manacorese, S.A. ²⁸		5,000,000 ³¹	
	English Electric Co., Ltd. of Queens House		12,900,000	18,663,000
6.50	Est Railroad Co. of France 7s	105 ³⁰		
	European Electric Corporation 6 ½s, 1965 ³¹	100		
	European Machinery Trading Corp. ³²		10 ¹⁶	
	European Utilities Corporation		750,000 ³³	
	Ever-Ready Co., Ltd. (England)	1 ¼	1,500,000 ³⁴	
	Finland Industrial Mortgage Bank 6s, 1955	95	100,000 ³⁵	
	Fire Reassurance Co. of Paris		13,348,800 ³⁶	
	Ford Holding Co. (Luxemburg)		2,565,150 ³⁷	
	Ford-Isotta Fraschini Corp.		20,940,000 ³⁸	
	Ford Motor Co. of Italy		6,000 ³⁹	
	Fox Film Corporation, S.A.R. (Bucharest)			10,000,000
	French National Mail Steamship 7s, 1949	103 ¹⁶		
	Ganz Electric Corp. (Hungary)	16 ½	1,650,000 ⁴⁰	
	Gas y Electricidad, S.A. ⁴⁰		3,500,000 ⁴¹	
5.93	Gaumont British Pictures Corp. Notes	100	6,160,000	
	General Italian Edison Electric Corp.	44	250,000	
	General Motors Bank of Poland		7,500,000 ⁴²	
	Goodlass, Wall & Lead Products, Ltd.			
	Grande Cie. d'Electricité du Luxembourg ⁴³		1,300,000	
	Hellenic Electric Corp. of Greece (Soc. Hellenique d'Electricité) ⁴⁴			
	Hudson Motor Car Co. (Belgium) ⁴⁵			

18. Represents amount acquired by American interests in Italian concern (8,000,000 lire).

19. Erects assembling plant in Copenhagen. Amount involved not stated.

20. Estimated American share of issue of Fcs. 110,000,000 out of increase in capitalization from Fcs. 330,000,000 to Fcs. 550,000,000.

21. Estimated American share of increased capital from Fcs. 209,000,400 to Fcs. 279,000,000, at the rate of one share for three held, at Fcs. 600.

22. Represents estimated American share in offering of Fcs. 105,000,000 of stock at 161 per cent of increased capitalization from Fcs. 60,000,000 to Fcs. 200,000,000.

23. Formed by German-American interests to acquire Buro Sign Co., Ltd. and Illuminating Advertising Co., Ltd., both of London. Amount involved not stated.

24. Acquired by American interests. Amount involved not stated, but comprised in total of securities of American company, sold in United States.

25. Estimated American share of total of 12,000,000 pesetas.

26. Estimated amount expended abroad (Canada, England and France) of total of \$12,000,000.

27. Estimated American share of total issue of £1,000,000 offered by London branch of American banking house.

28. Company operating in Manacor, Mallorca, acquired by American interests.

29. Estimated share acquired by American interests in English company, whose capitalization comprises £656,200 5 ½s, £450,863 6s; £1,135,874 preferred; and £1,343,511 ordinary.

30. Amount at which refunded.

31. Formed to hold, finance and manage European electric power and light properties.

32. Formed to acquire plants and resell them, especially in Germany and England. Amount involved not stated.

33. Estimated American share in issue of 1,000,000 shares of 5s, bringing capitalization up to £1,000,000.

34. Estimated value of property acquired by American interests through 4,140 shares of American concern.

35. Authorized capital (Fcs. 480,000,000) of new company formed in Luxemburg.

36. Estimated share taken by American interests (49 per cent) in new concern with 100,000,000 lire capital.

37. Represents increase in capital from 50,000,000 lire to 450,000,000. Company formed to succeed Trieste Ford Italiana.

38. Represents capital of 1,000,000 lei.

39. Cost of 100,000 shares acquired by American interests at 100 pengoe a share.

40. Formed to consolidate La Propagadora Balear de Alumbrado, S.A.; Energia Manacorese, S.A.; public utilities operating on the Island of Mallorca, acquired by American interests.

41. Represents advance by American interests of £700,000, bringing total investments up to \$19,700,000.

42. Estimated American share acquired by European affiliate of American company. Capital of British enterprise totals £3,002,532.

43. American interests acquire 35 per cent of capital. Amount involved not stated.

44. Formed by American public utility interests. Capitalization, 100,000,000 drachmae.

45. Establishes assembling plant at Brussels. Amount involved not stated.

A—EUROPE, excepting Germany,

II—CORPORATIONS (Continued)

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
	Hungarian Mortgage Institute 6s		\$15,000,000 ⁴⁶	\$
	Iberian Electric Company		20,000,000 ⁴⁷	
	International Credit Association		1,500,000 ⁴⁸	
	International Oil Co. (Turkey) ⁴⁹		500,000 ⁵⁰	
5.25	International Standard Electric Co.	96 ½	50,000,000	
	International Telephone & Telegraph 5s, 1955		250,000 ⁵¹	
	Italian American Securities Corp.		1,000 ⁵²	
	Italian National Corporation		270,000 ⁵³	
	Italo-Belge (Italian-Belgian Elect. & Pub. Utility Co.) ⁵⁴		1,400,000 ⁵⁴	
	Koenigshuette Gas Co. (Poland)		35,100	
	Lee, Higginson & Cie. (France) ⁵⁵		2,500,000 ⁵⁶	
	Lilpop, Rau & Lowenstein (Poland)		766,350 ⁵⁶	
	L'Océanide Cie. Française d'Assurance	97 ½		
	London Electric Ry. 5s, 1995	38.32		
	L'Union des Mines			
	MacDonald Baltic Corp. ⁵⁷			
	Majestic Electric Co., Ltd. (London) ⁵⁸			
	Metal Box & Printing Industries, Ltd. ⁵⁸			
	Metropolis Bradford Trust ⁵⁹			
4.59	Midi Railroad Co. (France) 4s, 1960	90 ½	3,000,000 ⁶⁰	2,500,000
	Neusatz Electric Co. (Jugoslavia)		1,203,600 ⁶¹	
	Nieuwe Octrooi Maatschapij		100,000 ⁶²	
	Norsk Aluminum Co. (Norway)		3,450,000 ⁶³	
5.17	Norway Municipalities Bank 5s, 1970	97	5,360,000	
	Paramount Film Co. (Rumania)		30,000 ⁶⁴	
	Peugeot Motor Co. (France)		500,000 ⁶⁵	
	Philips Incandescent Lamp (Holland) 5s	99 ½	1,500,000 ⁶⁶	
7.20	Piedmont Hydro-Electric 6 ½s, 1960	91 ½	10,000,000	
	Pinchin Johnson Co.	2 ½	750,000 ⁶⁷	
5.00	Royal Dutch Co. 4s, 1945	89 ½	40,000,000 ⁶⁸	
	Rumanian Telephone Co.		2,000,000 ⁶⁹	
	Scandinavian Cable & Rubber Co. (Norway) ⁷⁰			
	Société Financière pour le Développement de l'Electricité ⁷¹			
	Sofina (Belgium)		637,500	
	Spain (Cia. Telefonica Nacional)	100	10,000,000 ⁷²	
	Standard Electric (Hungary)		600,000 ⁷³	
	Standard Electrica Romana, S.A.		132,000 ⁷⁴	
	Standard Franco-Americaine		2,688,000 ⁷⁵	

46. Reported amount advanced to Institute by syndicate of American banks. First advance of \$8,000,000 reported to have been made.

47. Estimated American share of total of \$34,000,000. Formed by European and American interests to acquire electric properties in Spain and Portugal.

48. Estimated American share of total of 10,000,000 guilders, capital of new company formed by European and American interests.

49. Concession secured in Rodosto region, Turkey. Amount involved not stated.

50. Represents increase in number of shares from 500,000 to 1,000,000.

51. Formed by American and European interests. Amount involved not stated.

52. Increase in capital from 600,000 zloty to 3,000,000 zloty, taken by American interests.

53. Formed by American interests. Amount involved not stated.

54. Estimated amount invested according to contract between Polish equipment firm and American interests, whereby latter would furnish credits of \$14,000,000 for 14,000 freight cars, and 1,000 passenger cars, to be delivered to Poland over ten-year period. Equipment to be manufactured in Europe.

55. Estimated American share of London offering of £5,000,000.

56. Represents cost of 20,000 shares issued at Fcs. 975, resulting from increase in capitalization from Fcs. 260,000,000 to Fcs. 270,000,000.

57. Formed by American and Polish interests to erect 300 elevators in Poland.

58. Company and subsidiaries dispose of interest to American firm.

59. Formed to control Gaumont-British Pictures, controlled by American interests.

60. Estimated amount placed in United States of total issue of Fcs. 140,000,000.

61. Represents cost of property (68,000,000 dinars) acquired by American interests.

62. Estimated American share of total of 250,000 guilders.

63. Estimated cost of property (Kr. 14,500,000) of company and of Heoyangfaldene Co., acquired by American interests.

64. Represented by 5,000 shares of 1,000 lei par value.

65. Estimated amount taken by American interests of increase in capital from Fcs. 190,000,000 to Fcs. 250,000,000.

66. Estimated amount sold in United States of total issue of 30,000,000 guilders.

67. Estimated amount taken by United States interests of total issue of 1,000,000 shares offered at 10s.

68. Carrying rights to purchase 600,000 shares of stock at 66-2/3—70.

69. Initial payment on 1,000,000,000 lei capital of 1,000 lei par value shares.

70. Acquired by American interests. Amount involved not stated.

71. American interests reported to control 60 per cent. Amount involved not stated.

72. Represents issue of 100,000,000 pesetas taken by American interests.

73. Estimated cost of 36,000 shares of 100 pengoe par value, acquired by American interests who hold now 112,500 shares of total of 150,000.

74. American share (22,000,000 lei) in company formed with capitalization of 50,000,000 lei.

75. American share of 48 per cent in increased capital from Fcs. 60,000,000 to Fcs. 200,000,000.

A—EUROPE, excepting Germany,

II—CORPORATIONS (Continued)

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
5.00	Standard Oil Export Association \$5 Pfd.	100	\$59,157,200 ⁷⁶	\$
	Styria Hydro-Electric Co.		3,500,000 ⁷⁷	
	Subotica Electric Co. (Yugoslavia) ⁷⁰		2,500,000 ⁷⁸	
	Thomas-Hedley, Ltd. (England)		30,000 ⁸⁰	
	Titan Co., Inc. of Delaware ⁷⁹ .....		.....
	Tractomida (Caterpillar Tractor) of Rumania..		.....
	Underwood Italiana ⁸¹ .....		.....
	Veliki-Beeskerek Electric Co. (Yugoslavia) ⁷⁰ ....		.....
	Weston Electrical Instruments ⁸³ .....		.....
	Williams, Harvey & Co., Ltd.	18	6,480,000 ⁸⁴	

76. Proceeds employed to purchase for Standard Oil of New Jersey, the Anglo-American Oil Co., Ltd. Authorized amount: \$75,000,000; offered: \$14,000,000.

77. Arranged in 1929.

78. Estimated cost of property acquired by American interests.

79. Formed to take over French, German and Norwegian affiliates of American company.

80. Capital of newly formed company (5,000,000 lei).

81. Formed as foreign agency of American concern.

83. Establishes branch in England. Amount involved not stated.

84. Represents cost of 72,000 shares transferred to General Tin Industries of Delaware.

B—GERMANY

I—GOVERNMENT, STATES AND MUNICIPALITIES

	Bavaria Refunding Credit		\$15,000,000	\$15,000,000
	Berlin Treasury Bills 7s, May 1931 ¹		3,570,000	
	Bremen 3-mos. Notes, December 30, 1930		1,000,000	
2.25	German 5½s, 1965	90	98,250,000	
6.20	German Railway Notes 6s, 1935	95	3,500,000 ²	
6.30	German Treasury Loan, 1932	100	75,000,000 ³	50,000,000
	Saxony Refunding Credit		3,000,000	3,000,000

1. Credit of RM 25,000,000 arranged by German group, similar amount being advanced by foreign group. American share estimated at RM 15,000,000.

2. Estimated share placed in United States of total of RM 75,000,000.

3. American share of credit to Germany of \$125,000,000 arranged at 4-3/4 per cent interest, and 1-1/4 per cent commission by European and American bankers.

II—CORPORATIONS

	Addressator, A.G. ¹		\$.....	\$
	Addressograph, G.m.b.H. ¹ .....		.....
6.80	Berlin City Electric 6s, 1955	90 ½	10,000,000 ²	
6.50	Central German Power Co. 6s, 1934	98 ¼	4,000,000	
	Creed Telegraphenapparate G.m.b.H.		238,000 ³	
	Deutsch-Atlantische Telegraph Co. ⁴	140	790,000	
	Deutsche Elektrobank, A.G.		6,250,000 ⁵	
	Deutsche Sinclair Petroleum, G.m.b.H. ⁶ .....		.....
	Du Pont de Nemours ⁷ .....		.....
	Felten & Guillaume A.G. ⁸ .....		.....

1. Foreign subsidiary of American company. Amount involved not stated.

2. Estimated amount placed in United States of total of \$15,000,000.

3. Authorized capital of RM 1,000,000 of German subsidiary of American enterprise.

4. American interests acquire one-third of capital at 140 per cent.

5. Estimated American share in new enterprise formed by German-American interests, with capitalization of RM 50,000,000.

6. German subsidiary of American company. Amount involved not stated.

7. Establishes two companies in Germany (in 1929) to sell various Du Pont products, including Duco and Ventube. Amount involved not stated.

8. Arrangement concluded with American interests. Amount involved not stated.

B—GERMANY

II—CORPORATIONS (Continued)

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
	Ford Motor Co. of Germany		\$1,500,000 ⁹	\$
	Gelsenkirchen 2-year 6s, 1932		3,000,000	
5.00	German Building & Land Bank 1-year Credit ..		6,250,000	
4.50	German General Electric (A.E.G.)	200	12,500,000 ¹⁰	
	German Kodak A.G.		750,000 ¹¹	
	Germania Accident & Liability Ins., A.G.		500,000 ¹²	
	Germania General Insurance, Ltd.		1,125,000 ¹³	
	Germania Life Insurance		1,125,000 ¹⁴	
	Goodyear Rubber Co. ¹⁵ .....		.....
	Gummiwerke Fulda Co. ¹⁶ .....		.....
	Johns-Manville (Germany) ¹⁷ .....		.....
	Kolster-Tefag Radio, G.m.b.H.		12,500 ¹⁸	
	Lorenz, C. Corp. ¹⁹	185	4,182,850	
	Maximilianshuetten 6s, 1950	87	4,500,000	
	Mercedes. Büromaschinen-Werke ²⁰		500,000	
	Mix & Genest		4,000,000 ²¹	
	Mosebach, Oskar, A.G. ²²		375,000	
	North European Oil Corp.		5,000,000 ²³	
	Osram, G.m.b.H. ²⁴		3,012,500	
	Reichart's Cocoa & Chocolate Co. ²⁵ .....		.....
6.57	Rhine-Westphalia Power 6s, 1955	93	20,000,000	
	Rhine-Westphalia Power (shares)	45	3,400,000	
6.35	Saxon Public Works 5s, 1932	97 ½	10,000,000	
6.00	Siemens-Halske 6s, 2030	933	32,655,000	
	Standard Electrizaets, A.G.		3,647,500 ²⁶	
	Standard-I.G. Co. ²⁷ .....		.....
	Thuringia Gas Corporation		500,000 ²⁸	
	Tobis Klangfilm		2,500,000 ²⁹	
	Transradio Corp. ³⁰	150	1,965,500	
	United Electric Co. of Westphalia 6 ½ % Pfd. ..		7,500,000 ³⁰	
7.65	United Industrial Corp. 6-mos. 7s, 1930	99 ¾	5,000,000	

9. Reported cost of plant established in Cologne. In addition, company to erect houses at cost of RM 5,000,000.

10. Represents cost of RM 25,000,000 of stock acquired by American interests at 200 per cent.

11. Represents increase in capital by RM 3,000,000 from RM 5,000,000, to which it had been reduced from RM 8,000,000.

12. Represents capital of German company (RM 2,000,000) acquired for 18,376 shares.

13. Represents capital of German company (RM 4,500,000) acquired for 44,806 shares of American company.

14. Represents capital of German company (RM 4,500,000) acquired for 48,970 shares.

15. Establishes rubber factory near Berlin. Amount involved not stated.

16. Arrangement made by which company will sell products of American rubber concern in England, Germany and Ireland. Amount involved not stated.

17. Formed by American interests. Amount involved not stated.

18. Capital of new German company formed by American interests. (RM 50,000.)

19. Acquired (75 per cent from Germany and 25 per cent from Holland) by American firm and turned over to newly formed holding company (Gesellschaft für Telephon-und Telegraphenbeteiligungen, m.b.H.).

20. Controlling interest acquired by Underwood-Elliott-Fisher Co. Amount involved estimated at RM 2,100,000 of total of RM 3,500,000.

21. Estimated amount involved in acquisition of majority of capital of RM 16,185,000.

22. Company (half owned by American interests—capitalization RM 1,500,000) acquires Duco Lackfabrik with capitalization of RM 50,000.

23. Estimated amount involved in company, whose authorized capitalization consists of 4,000,000 shares. Company acquires oil rights on 6,475 square kilometers in Germany.

24. American interests acquire one-sixth of capital.

25. Acquired by American interests. Amount involved not stated.

26. American share of total of RM 25,000,000.

27. Half of issued capital acquired by American interests. Amount involved not stated.

28. Estimated cost of shares acquired by American interests.

29. American interests acquire 30 per cent of capitalization.

30. Represents half interest acquired by American utility group.

C—CANADA

I—GOVERNMENT, PROVINCES AND MUNICIPALITIES

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
	Alberta Treasury Bills, 4s, November 1, 1930		\$5,000,000	\$1,000,000
3.00	Alberta 6-mos. 3½s, April 15, 1931		5,935,000	
4.26	British Columbia 4s, 1932	99½	4,000,000	3,000,000
3.25	British Columbia 3½s, 1931	100	1,000,000 ¹	
	British Columbia 9-mos. 4s, 1930		4,000,000	
	British Columbia 9-mos. 3¾s		4,000,000	
	British Columbia 4½s, 1955	95¼	1,000,000 ²	
	Canada 4½s	100 ³		20,000,000
4.28	Canada 4s, 1960	95¼	100,000,000	
5.00-5.05	Edmonton 5s, 1945-1960		400,000 ⁴	
5.04	Greater Winnipeg Water District 5s, 1970	99¼	1,900,000	1,000,000
5.00-5.05	Hamilton, O. 4½s-5s, 1948		350,000 ⁵	
4.75	Manitoba 9-mos. Treasury 5s		2,500,000	
4.80	Manitoba 4½s, 1960	95½	375,000 ⁶	
3.625	Montreal 1-year 3½s, 1931	100	7,500,000	
4.81	Montreal Harbor Commissioners 5s, 1969 ..	103.17	500,000	
4.58	New Brunswick 4¾s, 1955	102½	750,000 ⁷	
4.80-4.85	New Brunswick 4¾s, 1930-60	98½-99½	4,250,000	1,750,000
5.01	New Brunswick 5s, 1960	99¾	3,358,000	1,000,000
4.95	Newfoundland 5s, 1955	100¾	2,500,000	
	New Westminster Harbor Com. 4¾s, 1950 ..	97½	50,000 ⁸	
5.00	Nova Scotia 5s, 1960	100	1,500,000 ⁹	
4.85	Nova Scotia 4½s, 1960	98¾	4,404,000	2,000,000
4.15-4.85	Ontario 4¼s, 1931-60		18,600,000 ¹⁰	10,000,000
4.65	Ontario 5s, 1935	101.40	1,500,000 ¹¹	
4.875	Quebec 5s, 1960	101.75	2,572,000 ¹²	500,000
5.00	Saskatchewan 5s, 1959	100	2,000,000 ¹³	
	Saskatchewan 5s, 1960		400,000 ¹⁴	
4.45	Saskatchewan 4s, 1935	98	2,000,000 ¹⁵	
4.55	Saskatchewan 4½s, 1955	99¼	500,000 ¹⁶	
4.00-4.85	Toronto 5s, 1931-50		13,396,000	
5.00	Toronto 4½s, 1931-49		3,201,000	
5.00	Toronto 5s, 1931-59	100	2,389,000	
	Toronto Harbor Commissioners 5s, 1953 ..	98.95	2,000,000	
	Vancouver 5s, 1940-70	102.77-104.43	1,000,000 ¹⁷	
4.90-5.00	Vancouver 5s, 1939-69	100-101¾	1,500,000 ¹⁸	
5.04	Winnipeg 5s, 1940-60	99½	1,000,000 ¹⁹	
4.50-4.54	Winnipeg 4½s, 1937-60	99½-100	1,000,000 ²⁰	

1. Estimated amount placed in United States of total of \$2,500,000.
2. Estimated amount sold in United States of total of \$3,000,000.
3. Price at which repaid or refunded.
4. Estimated amount placed in United States of total of \$981,000.
5. Estimated amount placed in United States of total of \$2,984,000.
6. Estimated amount placed in United States of total of \$1,570,000.
7. Estimated amount sold in United States of total of \$2,650,000.
8. Estimated amount placed in United States of total of \$700,000.
9. Estimated amount sold in United States of total of \$5,000,000.
10. Estimated amount sold in United States of total of \$30,000,000.
11. Estimated amount sold in United States of total of \$2,650,000.
12. Estimated amount sold in United States of total of \$3,333,000.
13. Estimated amount sold in United States of total of \$3,500,000.
14. Estimated amount sold in United States of total of \$965,000.
15. Estimated amount sold in United States of total of \$5,000,000.
16. Estimated amount sold in United States of total of \$2,000,000.
17. Estimated amount sold here of total of \$2,544,588.
18. Estimated amount sold here of total of \$4,055,000.
19. Estimated amount taken here of total of \$2,500,000.
20. Estimated amount taken here of total of \$3,600,000.

II—CORPORATIONS

	Addressograph Co., Ltd. (Toronto) ¹		\$	\$
6.03	Aluminum, Ltd. 6% Pfd. (Canada)	99¼	13,000,000	
	Aluminum, Ltd. (Rights)	30	237,550	
	Amalgamated Metal Co., Ltd.		25,000,000 ²	
	American Canadian Utilities Corp.		500,000 ³	

1. Canadian subsidiary of American company. Amount involved not stated.
2. Represents authorized capitalization of new Canadian company formed by American interests.
3. Represents authorized number of shares of new company, formed under Delaware laws.

C—CANADA

II—CORPORATIONS (Continued)

Yield	Issue	Offered Price	Amount	Amount Refunded
	Anglo-American Royalties 7½s, Canada ..		\$1,500,000	\$
	Architects Building 6s		700,000	
	Automatic Musical Instrument, Ltd. (Canada)		1,500,000	
	Auto-Strop Safety Razor Co., Ltd.		1,000,000 ⁴	
6.00	Beauharnais Power Corp. 6s, 1960	100	3,000,000 ⁵	
4.90	Bell Telephone Co. of Canada 5s, 1960	101½	3,750,000 ⁶	
	Bell Telephone Co. of Canada		75,000,000 ⁷	
5.00	Bell Telephone Co. of Canada 5s, 1960, Series "B"	100	5,000,000	
	British American Oil Co. 5s		5,000,000	
5.00	British American Oil Co. 5s, 1945	100	55,000 ⁸	
	British American Royalties 8s		1,000,000	
5.62	British Columbia Power Co. 5s, 1960	98	1,000,000	
5.93	Brown Co. 5½s, 1950	95	3,500,000 ⁹	
	Cairns Creameries, Ltd. (Canada)		670,000 ¹⁰	
5.40	Calgary Power Co. 5s, 1960	94	3,000,000 ¹¹	
5.20	Calgary Power Co. 5s, 1960	97	2,000,000	
	Canada Power & Paper Corporation ¹² .....		.....
	Canada Wire & Cable Co. ¹³ .....		.....
	Canadian-American Public Service 6s, 1931		700,000	
	Canadian Bank Shares and Industrials		1,633,500 ¹⁴	
	Canadian Carbonate, Ltd. (Canada)		1,920,000 ¹⁵	
6.00	Canadian Copper Refiners 6s, 1945	100	445,000 ¹⁶	
	Canadian Industries, Ltd. ¹⁷ .....		.....
	Canadian Imperial Dry, Inc.		{ 500,000 ²	
	.....		{ 25,000 ³	
	Canadian International Paper Co.		1,000,000 ¹⁸	
4.15-4.85	Canadian National Railways 4½s, 1931-1945		14,500,000	
4.82	Canadian National Railway Co. 4¾s, 1955	99	21,300,000	10,000,000
5.03	Canadian National Railways 5s, 1970	99½	13,000,000	11,000,000
5.00	Canadian National (W.L.) S. S. 5s, 1955 ..	100	4,700,000	
4.62	Canadian Pacific 4½s, 1960	98	25,000,000	
3.00-4.60	Canadian Pacific Equipment 4½s, 1931-1945	98.93-100.74	14,250,000	
6.30	Central States Power & Light 5½s, 1955 ..	90	1,000,000 ¹⁹	
	City Dairy Co., Ltd. (Canada) ²⁰		4,750,000 ²¹	
	City Dairy Co. (Toronto) .....		.....
	Claude Neon Light Co. (Canada) ²² .....		.....
	Consolidated Mining & Smelting .....		.....
	Continental Aero, Ltd. \$1.50 Pfd. (Canada)		500,000	
	Dominion Gas & Electric Co.		1,150,000 ⁹	
	Dominion Paint Works, Ltd. ²⁰ .....		.....
	Du Pont de Nemours		500,000 ²³	
	Electric Auto-Lite Co., Ltd.		500,000	
	Famous Players Canadian Corporation		20,000,900 ²⁴	

4. Represents increase in capital stock of Canadian subsidiary of American company, from \$1,000,000 to \$2,000,000.

5. Estimated amount placed in United States of total of \$30,000,000.

6. Amount placed here of total of \$7,500,000.

7. Represents increase in capital from \$75,000,000 to \$150,000,000.

8. Estimated amount placed in United States of total of \$5,000,000.

9. Estimated amount placed in United States of total of \$5,000,000.

10. Represents estimated cost of property acquired by American interests through shares.

11. Estimated amount sold in United States of total of \$8,000,000.

12. Substantial interest acquired by American publishers. Amount involved not stated.

13. Interest acquired by American firm. Amount involved not stated.

14. Acquisition by American investment company and comprising the following:

600 shares, Bank of Nova Scotia

500 shares, Bank of Toronto

3,500 shares, Canadian Bank of Commerce

649 shares, Dominion Bank

466 shares, Imperial Bank of Canada

450 shares, J. MacLaren Co., Ltd.

15. Represents value of 32,000 shares acquired by American interests through exchange of stock.

16. Estimated amount placed in United States of total of \$2,500,000.

17. Additional shares acquired by American interests. Amount involved not stated.

18. Represents cost of boiler plant erected at Gatineau, Quebec.

19. Estimated amount placed in United States of total of \$3,000,000.

20. Acquired by American interests. Amount involved not stated.

21. Estimated amount represented by 81,350 shares of American concern paid for Canadian property.

22. American interests acquire 97 per cent of stock. Amount involved not stated.

23. Cost of explosive manufacturing plant established in Canada through Canadian subsidiary.

24. Represents cost of properties acquired by American interests.

C—CANADA

II—CORPORATIONS (Continued)

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
4.00-5.00	Grand Trunk Western Railroad 5s, 1930-44		\$4,238,000	\$
	Grand-Silver Stores 6s, 1940		5,500,000 ²⁵	
	Halls, Ltd. (Canada) ²⁶ .....		.....
6.00	Hudson Bay Mining & Smelting Co., Ltd.			
	6s, 1935	100	5,000,000	
	Hudson Bay Mining & Smelting Co., Ltd. ..		500,000 ²⁶	
	International Nickel Co. of Canada	20	15,000,000 ²⁷	
6.17	Iowa Southern Utilities 6s, 1950 (Canada)	98	500,000 ²⁸	
	J. J. Joubert, Ltd. ²⁹ .....		.....
	Kelvinator of Canada		2,000,000 ³¹	
	Kingston Elevator, Ltd. 6s		1,500,000	
	Maritime Coal, Ry. & Power Co. ³² .....		.....
	Mersey Paper Co., Ltd. 6s		2,000,000	
	Middle West Utilities Co. of Canada, Ltd. ³³		.....
5.62	Montreal Light, Heat & Power 5½s, 1960	98	1,000,000 ³⁴	
	Montreal Light, Heat & Power (shares) ..		20,418,350	
5.05	Montreal Light, Heat & Power 5s, 1970			
	Ser. "B"	99	1,500,000 ³⁵	
5.25	Montreal Tramways 5s, 1955 Series "D" ..	96½	1,000,000 ³⁶	
5.63	Montreal Tramways 5s, 1955	91½	375,000 ³⁷	
	Moosejaw Light, Power & Tramway ³⁸		3,500,000	
	National Lead Co. of Canada ³⁹ .....		.....
6.15	National Light & Power 6s, 1950	99½	100,000 ⁴⁰	
	New Brunswick International Paper Co. ⁴¹ ..		.....
6.14	Northwestern Power Co., Ltd. 6s, 1960	98	3,000,000 ⁴²	
	Ontario Hydro-Electric Power Commission			
	4¾s, 1970	102¾	7,500,000 ⁴³	
	Ontario Power Service Corp., Ltd. 5½s,			
	1950	94.22	2,500,000 ⁴⁴	
	Ontario-Quebec Stores, Ltd. 7% Pfd.	25	350,000	
5.80	Ottawa Valley Power Co., Ltd. 5½s, 1970	95¼	9,000,000	
	Packard Electric Co. ⁴⁵ .....		.....
	Peel St. Realty 6½s		500,000	
	Power & International Securities, Ltd.			
	6% Pfd.		625,000	
	Ruddy Co., Ltd. ⁴⁶ .....		.....
5.10	Shawinigan Water 5s, 1970, Series "C"	98	10,000,000 ⁴⁷	
4.63	Shawinigan Water 4½s, 1970, Series "D"	97½	20,000,000	7,851,000
6.87	Simpson's, Ltd. 6½% Pfd.	94½	250,000 ⁴⁸	
	Sisters of Charity 5s (Quebec)		550,000	
	St. Boniface Hospital 5½s		500,000	
	Stimson's Office Building Co., Ltd.		800,000	
	Stuart, D. A. & Co., Ltd.		595,000	
	John Summers & Sons Co., Ltd. ⁵⁰ .....		.....
	Truax-Traer Coal Co. of Canada		{ 200,000 ⁵¹	
			{ 100,000 ⁵²	
	University Tower 6½s		1,000,000	

25. Used to acquire the Canadian units of Metropolitan Chain Stores of total issue of \$8,000,000.
26. Represents increase in capital from 2,500,000 shares to 3,000,000 shares.
27. Estimated American share in increase in capital from 13,758,208 shares to 15,000,000, giving rights to subscribe at 20 on basis of 6 new shares for 100 held. Issue underwritten by American bankers. Total amount involved, \$24,835,840. Company's assets increased during 1930 by \$13,262,030.
28. Estimated amount placed in United States of total of \$2,500,000.
29. Acquired by American interests through exchange of shares of American company.
30. Agreement reached with American interests. Amount involved not stated.
31. Represented by \$800,000 7% Preferred and 100,000 shares of Common.
32. Company and subsidiaries (Canada Electric Co., Ltd. and Eastern Electric & Development Co., Ltd.) acquired by American interests. Amount involved not stated.
33. Formed with 50,000 shares of Preferred and 500,000 shares of Common to own a number of Canadian utilities.
34. Estimated amount placed in United States of total of \$10,000,000.
35. Estimated amount placed in United States of total of \$5,000,000.
36. Estimated amount placed in United States of total of \$2,000,000.
37. Estimated amount placed in United States of total of \$3,000,000.
38. Acquired by American interests.
39. Acquires Hoyt Metal Co., Ltd.; Robertson Lead Mfg. Co., Ltd.; and Canada Metal Co., Ltd. Amount involved not stated.
40. Estimated amount placed in United States of total of \$2,000,000.
41. Opens 550-ton newsprint mill in New Brunswick (Canada). Amount involved not stated.
42. Estimated amount placed in United States of total of \$10,000,000.
43. Estimated amount sold in the United States of total of \$12,500,000.
44. Estimated amount placed in United States of total of \$6,500,000.
45. Erects factory at Toronto. Amount involved not stated.
46. Acquired by American interests. Amount involved not stated.
47. Estimated amount placed in United States of total of \$15,000,000.
48. Estimated amount placed in United States of total of \$1,250,000.

C—CANADA

II—CORPORATIONS (Continued)

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
6.18	Washington Gas & Electric 6s, 1960	97 ½	\$ 725,000 ⁴⁹	\$
6.04	West Canada 6s, 1950	99 ½	450,000 ⁵⁰	
6.05	West Canadian Hydro-Electric 6s, 1950	99 ½	1,000,000	
6.50	West Canadian Hydro-Electric 6 ½s, 1945	100	350,000	
	Western Steel Products, Ltd. 6s, Series "B"		1,000,000	

49. Estimated amount placed in United States of total of \$2,000,000.

50. Estimated amount taken in United States of total of \$1,000,000.

D—SOUTH AMERICA

I—GOVERNMENTS, STATES AND MUNICIPALITIES

5.00	Argentina (Internal) 5s	100	\$ 544,000 ¹	\$
5.00	Argentina 6-mos. 5s, 1930	100	50,000,000	
4.625	Argentine 1-year Notes, 1931	100.36	50,000,000	50,000,000
	Banco de República (Colombia)		2,418,750 ^{1a}	
8.05	Barranquilla 8s, Series "E," 1950	99	500,000	
	Bolivia		100,000 ²	
5.00	Buenos Aires (City) 5s, 1931	100	16,100,000	
6.85	Buenos Aires (Province) 6 ½s, 1961	95 ½	8,000,000	4,000,000
6.85	Buenos Aires (Province) 6 ½s, 1961	95 ½	3,675,000	
	Buenos Aires (Province) 6 ½s, 1930		4,000,000	
6.63	Chile 6s, 1963	91 ½	25,000,000	
	Colombia (Central Bank)		6,864,800 ³	
	Colombia (Government Credit)		5,000,000	5,000,000
	Colombia ⁴			
8.00	Colombia Treasury Notes 8s	100	1,932,400 ⁵	
6.30	Córdoba (City) 3-mos. Treasury Notes		1,035,000 ⁶	
	Córdoba (Province) Treasury Notes		1,035,000 ⁶	
6.05	Córdoba (Province) 6-mos. Treasury Notes		1,200,000	
5.50	Córdoba (Province) 6-mos. 5 ½s, 1930	100	6,000,000	1,200,000
6.00	Córdoba (Province) 6-mos. 5s, 1931	99 ½	4,500,000	4,500,000
	Curacao (Dutch W. I.) ⁷			
	Peru (Government Credit)		1,500,000	
	Rio Grande do Sul 7s ⁸		2,000,000	
6.00	Santa Fe (Province) 9-mos. 6s, 1930		4,000,000	1,500,000
	Santa Fe (Province) 1-year 6s, 1930		1,500,000	
7.30	Santiago 7s, 1961	96 ½	2,200,000	
7.56	São Paulo (State) 7s, 1940	96	35,000,000	
	Tucuman 5s, 1931		1,000,000	
6.15	Uruguay 6s, 1964	98	17,581,000	

1. Represents credits granted by two American banking institutions to the amount of 850,000 pesos (paper) cash.

1a. Represents revolving credit of 2,500,000 pesos established by American interests.

2. Advance of 300,000 bolivianos by American oil interests.

3. Comprises loan of 4,000,000 pesos for public works and \$3,000,000 credit arranged by American banking interests.

4. American interests establish wireless service connecting five of principal cities. Amount involved not stated.

5. Represents American share of 2,000,000 pesos of total of 6,000,000 pesos..

6. Represents advance of 3,000,000 pesos (paper) made by American interests.

7. Grants concession to American interests. Amount involved not stated.

8. Also commission of 3 to 4 per cent.

D—SOUTH AMERICA

II—CORPORATIONS

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
	Amazon Corporation \$6 Pfd.		\$6,407,200	\$
	Amazon Rubber Corporation		{ 50,000 ¹ 20,000 ² 50,000 ³	
	American-Brazilian Exploration Corp. ....		.....
5.55	American-Colombian Mica Co. ⁴	90	50,000,000	48,525,000
	American & Foreign Power Co. 5s, 2030		100,000 ²	
	Argentine Aqueduct & Public Service Co.		10,000 ¹	
6.67	Argentine Brunswick Radio Corp.	60	500,000 ⁴	
5.90	Associated Telephone & Telegraph Co.	94 1/2	2,500,000 ⁵	
	Associated Tel. & Tel. Co. 5 1/2s, 1955		400,000 ⁶	
	Bank of Peru & London		60,000 ²	
	Bitumuls of Brazil, Inc. ....		.....
	Brazil Five and Ten ⁷		250,000 ¹	
	Brazilian Babassu Corporation		10,000 ¹	
	Brazilian Brunswick Radio Corp.		2,000 ⁸	
	Brazilian Highlands Corp. ....		.....
	Caja de Fomento Salitrero, 2-year 5s, 1932	100	4,500,000	
	Caracas Petroleum Corp. (Venezuela)	2.50	2,625,000	
	Cerro de Pasco Copper Co.		2,000,000 ⁹	
	Cia. Latino-Americana de Fuerza		1,000 ²	
	Cia. de Service Público Brasileiros		100,000 ³	
	Cia. Swift Internacional, S.A. (Argentina)		2,800,000 ¹⁰	
	Cia. Swift de la Plata, S.A. ¹¹ .....		.....
	Cia. Venezolana de Electricidad		400,000 ²	
	Cogoti Irrigation Dam (Chile) ¹² .....		.....
	Consolidated Tin Smelters		25,000,000 ¹³	
	Corn Products Refining Co. ¹⁴ .....		.....
	Creole Petroleum Co.	4 1/4	4,250,000 ¹⁵	
	Curtiss-Wright Export Corp. ¹⁶ .....		.....
5.45	Electric Bond & Share Co. \$5 Pfd.	91 1/2	18,300,000	
	Firestone Tire & Rubber Co. (Argentina) .....		.....
	General Motors Acceptance Corp. of South America		100,000 ¹	
	General Motors (Brazil)		2,500,000 ¹⁷	
	Girardot Electric Power Co. (Colombia) ¹⁸ .....		.....
	Gulf of Maracaibo Corp. (Venezuela) ¹⁹		1,000,000 ¹	
	Industrial & Financial Corp. of Argentina		1,000,000 ²⁰	
6.25	Intercontinents Power Co.	97	3,000,000	
4.00	Intercontinents Power Co. 6s, 1948	50	36,618,650	
4.81	International Telephone & Telegraph 5s, 1955	80	4,000,000	
	Italo-Argentine Electric Co.		200,000 ²	
	La Paz Corporation		{ 1,000,000 ¹ 10,000 ² 79,267 ²¹	
	Latamerica Corporation .....		.....
	Maracaibo Oil Exploration Corp. ....		.....
	Mendoza Empresa de Luz y Fuerza ²²		600,000 ¹	
	North American-Peru Corporation		1,000,000 ¹	
	Pan American Manganese Mining Corp.		2,000,000 ²³	
	Pandem Oil Corporation .....		.....

1. Represents authorized capital of new company, formed under Delaware laws.

2. Represents authorized number of shares of new company, formed under Delaware laws.

3. Organized to exploit mica deposits in the Department of Huila. Amount involved not stated.

4. Estimated amount employed abroad of total of \$3,000,000 through sale of 50,000 shares of Class "A" stock.

5. Estimated amount employed abroad (British Columbia, Portugal, Colombia, Jamaica, San Domingo, England and Belgium) of total of \$10,000,000.

6. Represents estimated amount advanced by American bank of total credit of 6,000,000 soles.

7. Formed by American interests. Amount involved not stated.

8. Represents increase in number of shares from 200,000 to 202,000.

9. Represents loan against future taxes, extended to Peruvian government in 1929.

10. Represents increase in assets of 2,849,133 pesos (gold) as compared with previous year.

11. Establishes branch in Santa Fe, Argentina.

12. To be constructed by American engineering firm at cost of 13,500,000 pesos.

13. Authorized capital of company formed by American and Bolivian interests.

14. Company establishes factory in São Paulo with daily capacity of 2,000 bushels. Amount involved not stated.

15. Represents the cost of shares resulting from increase in capital from 6,000,000 to 7,000,000 shares, on basis of one share for six shares held at 4 1/4.

16. Establishes factory for construction of military and commercial airplanes in Santiago, Chile. Amount involved not stated.

17. Represents cost of plant at São Caetano in the state of São Paulo.

18. Acquired by American interests. Amount involved not stated.

19. Acquires concession on 325,000 acres in District of Paex, State of Zulia.

20. Represents increase in capital from 1,200,000 shares to 2,200,000 shares.

21. Represents increase in assets during 1929.

22. Acquired by American interests.

23. Represents authorized increase in capital from \$500,000 to \$2,500,000.

D—SOUTH AMERICA

II—CORPORATIONS (Continued)

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
	Pantepec Oil Co. (Venezuela) 7s, 1931		\$1,000,000	\$
	Paraguana Petroleum Corp. ²⁴		250,000 ²⁵	
6.00	Parke, Davis & Co. (Argentina)	100	12,000,000	
7.00	South American Rys. Co. 6s, 1933	50	2,500,000	
	South American Rys. Co. \$3.50 Pfd.		388,236 ²⁶	
	Vanadium Corp.		395,863 ²⁶	
	Venezuelan Petroleum Co.			

24. Formed by American oil interests to develop 400,000 acres of land in Venezuela. Amount involved not stated.

25. Reported cost of pharmaceutical laboratory erected at Buenos Aires.

26. Represents increase in assets.

E—CENTRAL AMERICA

(Including Cuba, Mexico and West Indies)

I—GOVERNMENTS AND MUNICIPALITIES

5.70	Cuba 5½s, 1945	98	\$40,000,000	\$
	Cuba (Public Works Credit)		20,000,000	
	Cuba ¹			
	Guatemala (City of) ²			
	Guatemala 7s, 1960 ³	90	2,500,000	
	Honduras (Currency Credit)		1,000,000	
	Mexico (Currency Stabilization Credit)		15,000,000	
	Nicaraguan National Bank ⁴			
	Panama (Government Loan)		1,000,000	
	Panama National Bank, Series "E"		1,000,000	

1. American government leases property located at Mission Avenue, Havana. Amount involved not stated.

2. American interests establish bank branch. Amount involved not stated.

3. Arranged through Swedish match combine.

4. Enters into agreement with American interests which are to manage bank. Amount involved not stated.

II—CORPORATIONS

American Colonial Bank of Porto Rico	\$1,800,000 ¹	\$
Caribbean Oil Co.	20,000,000 ²	
Central American Development & Transport Corp.	10,000 ³	
Chiriqui Commercial Co. (Panama)	2,000,000 ⁴	
Cia. Cubana Kemsley Milbourn ⁵		
Cia. Nacional de Aviación Curtiss (Cuba) ⁶		
Cuban Carbonic Co. ⁷		
Cuba Sugar Company	20 ⁸	
Empresas Eléctricas Mexicanas, Inc. ⁷		
Ford Motor Co. of Mexico ⁸		

1. Estimated amount involved in exchange of shares of bank for stock of American institution.

2. Authorized capital of new company, formed under Delaware laws.

3. Authorized number of shares of new company, formed under Delaware laws.

4. Formed to handle time sales business in Cuba. Amount involved not stated.

5. Formed by American interests. Amount involved not stated.

6. Acquired by American interests. Amount involved not stated.

7. Formed to acquire interests of American enterprise in Cia. Nacional de Electrica, S.A. Capital of 3,000 shares raised to 3,000,000 shares.

8. Acquires large tract of land in Mexico City for construction of assembling plant. Amount involved not stated.

E—CENTRAL AMERICA, including Cuba, Mexico and West Indies,
 II—CORPORATIONS (Continued)

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
	Golconda San Juan Mines, Inc.		\$2,000,000 ⁹	\$
	Gulf Coast Oil Co. (Mexico) ¹⁰ .....		.....
	Haitian American Development Corp.		290,000 ¹¹	
	Hershey Chocolate Corp.		468,974 ¹²	
	Honduras Coffee Co.		100,000 ³	
	Huasteca Petroleum Co. ¹⁰ .....		.....
	International Plantations, Inc.		3,000,000 ²	
	Jabosi Mines Corporation (Cuba) ¹³ .....		.....
	Jamaica Banana Producers Association, Ltd. ¹⁴ ..		.....
	Los Mochis Sugar Co. (Mexico)		15,000,000 ¹⁸	
	Matches Oil Co. (Mexico) ¹⁵ .....		.....
	Mexican American Mines Corporation		300,000 ²	
	Mexican Mining & Smelting Co.		200,000 ¹⁸	
	Mexican Oil & Coal Co.		15,000,000 ²	
	Mexican Sinclair Petroleum Corp. ¹⁷ .....		.....
	Mexico Consolidated Mines Holding Corp.		50,000 ³	
	Mexico Natural Gas Co.		5,000,000 ²	
	Mexico (Pipe Line)		1,000,000 ¹⁸	
	Mexico (Real Estate) ¹⁹ .....		.....
	Milliken, Carlos C. y Cia. (Mexico)		150,000	
	Panama Lumber Co.		300,000 ²	
	Panama Marine Corporation		200,000 ²	
	Panama Railroad Co. Equipment 7s		125,000	
	Petroleum Hydrogenation Corp. (Mexico)		{ 500,000 ²	
			{ 200,000 ³	
	Porto Rico Telephone Co.		1,300,000 ²⁰	
	Tanhuijo Petroleum Corporation		5,000,000 ²	
	United Dyewood Co. ²¹ .....		.....
	U. S. Smelting, Refining & Mining (Mexico) ..		1,210,122 ²²	
	West Tezuitlan Copper Co.		10,000,000 ²	

9. Represents increase in capital by \$2,000,000, from \$6,000,000 to \$8,000,000.
 10. Secures concession on petroliferous land in Mexico. Amount involved not stated.
 11. Represents authorized increase in capital from \$410,000 to \$700,000.
 12. Represents addition to properties.
 13. Acquired and operates Santa Rosa Copper Mines and other mining properties in Cuba. Amount involved not stated.
 14. Half interest acquired by Americans. Amount involved not stated.
 15. Formed by American interests. Amount involved not stated.
 16. Represents increase in capital from \$100,000 to \$300,000.
 17. Extends development in Mexico. Amount involved not stated.
 18. Estimated American share in pipe line conducted by English-American interests, at cost of \$2,125,000.
 18. Represents capitalization of new company (30,000,000 pesos).
 19. Texas interests lease 1,105,000 acres in Coahuila. Amount involved not stated.
 20. Represents increase in capital from \$1,500,000 to \$2,800,000.
 21. Establishes plant in Kingston, Jamaica, B.W.I. Amount involved not stated.
 22. Represents acquisition of additional property.

F—AUSTRALASIA

I—GOVERNMENTS AND MUNICIPALITIES

	Australia		\$1,500,000 ¹	\$
6.30	Brisbane 6s, 1950	96 ½	5,000,000	
6.20	Japan 5 ½s, 1965	90	71,000,000	21,500,000
6.30	Sidney (New South Wales) 5 ½s, 1955	90	10,000,000	

1. Estimated American share of cost of electrical manufacturing plant erected by American, Dutch and British interests.

F—AUSTRALASIA

II—CORPORATIONS

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
6.09	American & Foreign Power \$6 Pfd.	98 ½	\$24,650,000	\$
	American Investment Trust of China		100,000 ¹	
5.83	American Smelting & Refining 6% Pfd.	103	12,500,000 ²	
	China Transport Storage Company		500,000 ³	
	Claude Neon of New Zealand		150,000	
	Copra Oil Refineries, Inc.		{ 500,000 ⁴	
			{ 50,000 ¹	
	Far East Power Corp.		2,000,000 ⁴	
	International Settlement (Shanghai)		27,360,000 ⁵	
	Iraq Petroleum Company ⁶ .....		.....
	Japan (Real Estate)		1,250,000 ⁷	
	Judaea Life Insurance Co., Ltd. (Palestine) ⁸ ..	15 ¾	472,500	
6.15	Metropolitan Water, Sewerage & Drainage Board 5 ½s, 1950	92 ½	7,500,000	
	Mining Trust Ltd. (Australia) ⁹		15,000,000	
	Mutual Telephone Co. (Shanghai) ¹⁰ .....		.....
	National City Bank (Japan)		625,000 ¹¹	
	Shanghai Power Co.		4,999,000 ¹²	
	Shanghai Telephone Co.		7,600,000 ³	
	Travancore Minerals Co., Ltd. (India) ¹³ .....		.....
	Western Electric Co. of Asia		50,000,000 ³	

1. Represents authorized number of shares of new company, formed under Delaware laws.
2. Estimated amount employed abroad of total of \$17,500,000.
3. Authorized capital of new company, formed under Delaware laws.
4. Authorized number of shares of new company, formed under Delaware laws, to own Shanghai Power Corp. which raises capital to 5,000,000 shares.
5. Represents balance paid for property purchased by American utility interests for 72,000,000 taels.
6. Formed by European and American (Standard Oil) interests. Amount involved not stated.
7. Represents cost of American Embassy building.
8. Interest acquired through issuance of stock of Judaea Life of New York.
9. Estimated amount acquired by American interests in company (controlling Mount Isa Mines, Ltd.; New Guinea Gold Fields, Ltd.; Cie. Nouvelle des Mines Villemagne; and Mining Trust of Northern Rhodesia). Company's paid-up capitalization is £4,500,000.
10. Acquired by American interests. Amount involved not stated.
11. Represents investments (\$1,250,000) in branches at Yokohama, Kobe, Tokyo and Osaka.
12. Number of shares resulting from increase in capital from 1,000 shares to 5,000,000 shares.
13. Controlling interest acquired by American company. Amount involved not stated. Concern holds extensive concessions in India for mining of ilmenite.

G—UNITED STATES TERRITORIES

I—GOVERNMENTS AND MUNICIPALITIES

4.25	Honolulu 5s, 1935-59		\$1,500,000	\$
4.20	Philippine 4 ½s, 1959	105.04-105.05	1,250,000	
4.30	Philippine 4 ½s, 1959	103.33	750,000	
4.375	Philippine 4 ½s, 1959	102	1,500,000	
3.00-4.10	Porto Rico 4 ½s, 1931-40		4,000,000	
2.50-4.125	Porto Rico 4 ½s, 1931-50		500,000	

II—CORPORATIONS

Alaska Kobuk Mines	\$600,000 ¹	\$
Hawaiian Oil Co., Ltd.	80,000 ²	
Porto Rican American Tobacco	55,000,000 ³	
U. S. Smelting, Refining & Mining (Alaska)	1,076,438 ⁴	

1. Represents authorized capitalization of new company, formed under Delaware laws.
2. Authorized number of shares of new company, formed under Delaware laws.
3. Represents authorized increase in capitalization from \$45,000,000 to \$100,000,000.
4. Represents acquisition of additional property.

H (a)—INVESTMENT TRUSTS

Yield	Issue	Offered Price	Amount	Amount Refunded
	Allied Shares, Inc.		\$10,000 ¹	\$
	Aviation International Corp.		{ 250,000 ¹ 50,000 ²	
	Beacon Corporation		3,500,000 ¹	
	British and International Utilities, Ltd.		1,250,000 ³	
	Budd International Corp.		680,000 ²	
	Continental Corp. for Bank and Ind. Sec. ....		.....
	Continental Share Corp.		150,000 ²	
	Diversified Shares International		400,000 ²	
	International Alliance Corp.		50,000 ²	
	International Gas & Distillation Co.		{ 10,000,000 ¹ 500,000 ²	
	Investors International Corporation, Ltd.		10,000,000 ¹	
	Manhattan Shares Corp.		1,000 ²	
	Pan American International		600,000 ¹	
	Pan American Shares, Inc.		90,000 ²	
	Research Investment Trust Co. 6% Pfd.		1,325,000	
	Transamerica International Corp.		1,000,000 ¹	
	Transpacific Corporation of America		2,000,000 ²	
	Transpacific Holding Corp.		{ 5,000,000 ¹ 100,000 ²	
	Tropical International Corp.		10,000,000 ¹	
	United Pacific Investment Corp., Ltd.		125,000 ¹	
	Western Capital Co., Ltd.		{ 10,000,000 ¹ 200,000 ²	

1. Represents authorized capital of new company, formed under Delaware laws.
2. Represents authorized number of shares of new company, formed under Delaware laws.
3. Represents authorized capitalization of \$250,000 of new company formed by European and American interests.
4. Formed by American and European interests. Amount involved not stated.

H (b)—OTHER INVESTMENTS

5.64	Abyssinia ¹		\$.....	\$
	American Metal Co. 5½s, 1934	99½	20,000,000 ²	
	British South Africa Co. ³ .....		.....
	Commercial Investment Trust (South Africa), Ltd.		25,000 ⁴	
	Foreign Petroleum Development Co.		900,000 ⁵	
	Kami Consolidated Mines, Inc.		2,500,000 ⁶	
	Newmont Mining Corporation		8,934,414 ⁷	
	Real de Guadeloupe Mining Corp.		1,000,000 ⁸	
	Rhodesian Selection Trust, Ltd. ....		.....
	Roan Antelope Copper Mines, Ltd.		1,000,000 ⁹	
	Roan Antelope Copper Mines 7s, 1945		2,500,000 ⁹	
	Roan Antelope Copper Mines (shares)		750,000 ¹⁰	
	U. S. Trading Corporation (Liberia) ¹¹ .....		.....
	Westinghouse Electric Co. of South Africa		50,000 ⁴	

1. American firm engaged to construct dam on Lake Tsana, to cost about \$20,000,000. Amount involved not stated.
2. Funds employed in purchase of African mining shares, including Roan Antelope Copper Mines; B'wana M'Kubwa Copper; and Rhodesian Selection Trust.
3. Interest acquired by American Mining concern. Amount involved not stated.
4. Authorized number of shares of new company, formed under Delaware laws.
5. Represents number of shares as result of authorized increase from 100,000 to 1,000,000 shares.
6. Authorized capitalization of new company, formed under Delaware laws.
7. Represents increase in investments made in Canada, South America and South Africa.
8. Represents cash plus 350,000 shares of American Metal paid to Canadian Selection Co. for 300,000 shares of Roan Antelope and 1,000,000 shares of Rhodesian.
9. Estimated amount taken by American interests of total of \$1,500,000.
10. Estimated amount taken by American interests of total of 1,000,000 shares of 5s par value.
11. Formed by American interests. Amount involved not stated.